



Memorandum D11-4-20

Ottawa, April 13, 2022

Procedures for Verifications of Origin Under a Free Trade Agreement with Non-European Countries

In Brief

1. The revision of this memorandum is part of an overall revision of the D Memoranda series to reflect the implementation of the following trade agreements:

Canada-Honduras Free Trade Agreement (CHFTA)

Canada-Korea Free Trade Agreement (CKFTA)

Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)

Canada-United States-Mexico Agreement (CUSMA)

2. The “Guidelines and General Information” contained herein provide policy and procedural information related to the administration of these free trade agreements (FTAs).

3. Please note that the amendments and the new *CHFTA Verification of Origin Regulations*, *CKFTA Verification of Origin Regulations*, *CPTPP Verification of Origin Regulations*, and *CUSMA Verification of Origin Regulations* to support the implementation of the above FTAs, were announced via Customs Notices. These Regulations will be published in Part II of the Canada Gazette. The effective date of the new regulations will be made retroactive to the date of coming into force of the FTA in accordance with paragraph 167.1(b) of the *Customs Act* and are as outlined in the relevant Customs Notices listed below:

[Customs Notice 14-023](#), Proposed Regulatory Amendments and Proposed New Regulations Related to the Implementation of the Canada-Honduras Free Trade Agreement

[Customs Notice 14-033](#), Proposed Regulatory Amendments and Proposed New Regulations Related to the Implementation of the Canada-Korea Free Trade Agreement

[Customs Notice 18-27](#), Regulatory Amendments and New Regulations Related to the Implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

[Customs Notice 20-22](#), The Canada-United States-Mexico Agreement’s (CUSMA) Regulatory Amendments and New Regulations Made Pursuant to the *Customs Act*

4. These regulations remain subject to future decision of the Governor in Council. This memorandum will be revised to provide the link to the specific regulations once the Governor in Council has passed the proposed regulatory amendments and new regulations.

5. The Canada-European Free Trade Association Free Trade Agreement (CEFTA) verification procedures that were previously published here have been moved to Departmental Memorandum D11-X-XX, Procedures for Verifications of Origin Under a Free Trade Agreement with European Countries.

This memorandum outlines and explains the verification procedures pursuant to section 42 of the *Customs Act*, Article 506 of the North American Free Trade Agreement (NAFTA), Article E-06 of the Canada-Chile Free Trade Agreement (CCFTA), Article 5.6 and Annex 5.6.2 of the Canada-Israel Free Trade Agreement (CIFTA), Article V.6 of the Canada-Costa Rica Free Trade Agreement (CCRFTA), Article 406 of the Canada-Peru Free Trade Agreement (CPFTA), Article 406 of the Canada-Colombia Free Trade Agreement (CCOFTA), Article 5-6 of the

Canada-Jordan Free Trade Agreement (CJFTA), and Article 4.07 of the Canada-Panama Free Trade Agreement (CPAFTA) and their regulations.

This memorandum also outlines and explains the verification procedures pursuant to Article 5.7 of the Canada-Honduras Free Trade Agreement (CHFTA), Article 4.6 of the Canada-Korea Free Trade Agreement (CKFTA), Articles 3.27 and 4.6 of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), and Articles 5.9 and 6.6 of the Canada-United States-Mexico Agreement (CUSMA).

Legislation

Customs Act

NAFTA and CCFTA Verification of Origin Regulations

CIFTA Verification of Origin Regulations

CCRFTA Verification of Origin Regulations

CPFTA Verification of Origin Regulations

CCOFTA Verification of Origin Regulations

CJFTA Verification of Origin Regulations

CPAFTA Verification of Origin Regulations

Guidelines and General Information

1. Verifications of origin determine whether goods claimed as originating under a free trade agreement satisfy the rules of origin and are entitled to a preferential tariff treatment accorded under that free trade agreement.
2. Verification procedures have been developed for each of the free trade agreements. The guidelines set out in the appendices outline and explain the procedures that customs administrations must follow when conducting a verification of origin. Appendix A outlines the procedures to be used for NAFTA and CCFTA verifications, Appendix B outlines the procedures for CIFTA verifications, Appendix C outlines the procedures for CCRFTA verifications, Appendix D outlines the procedures for CPFTA, CCOFTA, CJFTA, and CPAFTA verifications, Appendix E outlines the procedures for CHFTA verifications, Appendix F outlines the procedures for CKFTA verifications, Appendix G outlines the procedures for CPTPP verifications, Appendix H outlines the procedures for CPTPP verifications of textile and apparel goods, Appendix I outlines the procedures for CUSMA verifications, and Appendix J outlines the procedures for CUSMA verifications of textile and apparel goods.
3. These guidelines also provide importers, exporters, producers and suppliers in Canada with an overview of the procedures that will take place should they be subject to verification of origin.
4. For purposes of the Appendices, "customs administration" means, for Canada, the Canada Border Services Agency (CBSA).
5. Where goods have been accounted for and a preferential rate of duty has been claimed under a free trade agreement, import accounting documents and importer, exporter or producer records are reviewed during a verification to ensure that the goods do in fact qualify as originating in the corresponding territory.
6. This process requires that importers be in possession of a valid Certificate of Origin completed by an importer, exporter, or producer, as the case may be. Information concerning the proof of origin requirements for commercial importations for which a preferential tariff treatment is claimed is contained in Memorandum D11-4-2, Proof of Origin of Imported Goods.

7. Prior to initiating a verification, where a Certificate of Origin is not properly completed or additional details are needed, information may be requested from the importer, exporter, or producer to determine if the Certificate of Origin is valid. Refer to Memorandum D11-4-14, *Certification of Origin Under Free Trade Agreements*, for instructions on the completion of the Certificate of Origin.

8. Record-keeping requirements for importers, exporters and producers, as the case may be, in:

- (a) Canada, are for a period of not less than six years;
- (b) the United States, are for a period of not less than five years;
- (c) Mexico, are for a period of not less than five years;
- (d) Chile, are for a period of not less than five years;
- (e) Israel, are for a period of not less than five years;
- (f) Costa Rica, are for a period of not less than five years;
- (g) Peru, are for a period of not less than five years;
- (h) Colombia, are for a period of not less than five years;
- (i) Jordan, are for a period of not less than five years;
- (j) Panama, are for a period of not less than five years;
- (k) Honduras, are for a period of not less than five years;
- (l) Korea, are for a period of not less than five years; and
- (m) a CPTPP country, are for a period of not less than five years.

9. Information concerning the maintenance of records and books for importers, exporters, and producers in Canada is contained in Memorandum D17-1-21, *Maintenance of Records in Canada by Importers*, and Memorandum D20-1-5, *Maintenance of Records and Books in Canada by Exporters and Producers*.

10. For more information, call contact the [CBSA Border Information Service](#) (BIS):
Calls within Canada & the United States (toll free): **1-800-461-9999**
Calls outside Canada & the United States (long distance charges apply):
1-204-983-3550 or 1-506-636-5064

TTY: **1-866-335-3237**

[Contact Us online](#) (webform)
[Contact Us](#) at the CBSA website.

Appendix A – Guidelines for NAFTA and CCFTA Verifications

Scope of a Verification

1. The purpose of a verification is to determine:

- (a) whether goods imported into a free trade country are entitled to a preferential rate of duty accorded under that free trade agreement;

(b) for goods imported prior to July 1, 2020 whether the NAFTA preferential tariff treatment applied to originating goods complies with the regulations found in Memorandum D11-4-19, The Determination of When Goods are Entitled to the Benefit of the United States Tariff, Mexico Tariff or Mexico-United States Tariff under NAFTA; and

(c) whether agricultural goods are qualifying goods for the purposes of Annex 703.2 of the NAFTA.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:

- (a) verification questionnaires;
- (b) verification letters;
- (c) visits to the premises;
- (d) a review of any other information received by the exporter or producer of the good, or the producer or supplier of a material; or
- (e) such other procedures as the Parties may agree.

Verification Letters and Questionnaires

3. As part of the verification process, the customs administration may send, by regular mail or certified mail, to the exporter or producer of the goods or a producer or supplier of a material a verification questionnaire or letter identifying:

- (a) the customs administration requesting information;
- (b) the goods or materials that are subject to the verification; and
- (c) the period within which the verification letter must be answered or the verification questionnaire must be completed and returned.

The information requested in the verification questionnaire or letter is a consolidation of information that the exporter, producer or supplier would use to determine whether the goods qualify for preferential tariff treatment under the NAFTA or the CCFTA.

4. The period mentioned in paragraph 3(c) shall not be less than 30 days after the date on which the verification letter or questionnaire was sent.

5. Where a response to an initial verification questionnaire or letter has not been received, within the specified time, from the exporter or producer in:

- (a) Mexico or Chile, the verification questionnaire or letter must be sent again by a method which produces confirmation of receipt, and may be accompanied with a written statement and the notice of intent to deny, described in paragraphs 23 to 27 of this appendix;

- (b) the United States or Canada, the verification questionnaire or letter must be sent again and may be accompanied with a written statement and the notice of intent to deny, described in paragraphs 23 to 27 of this appendix.
6. Where the exporter or producer fails to respond to a subsequent verification questionnaire or letter referred to in paragraph 7, and where the customs administration conducting the verification does not include the notice of intent to deny and the written statement, instructions provided under paragraphs 23 to 26 of this appendix must be followed.
7. Where the producer or supplier of a material fails to respond to a subsequent verification questionnaire or letter, the origin of the material shall be considered unknown and therefore non-originating.
8. If it is found that the information provided in the verification questionnaire or letter is insufficient to determine whether the good is an originating good, the customs administration can request additional information, by corresponding with the exporter or producer of a good or the producer or supplier of a material, or undertake a verification visit.
9. Where the customs administration is able to determine whether the goods qualify for preferential tariff treatment from the information provided, instructions provided under paragraphs 23 to 27 of this appendix must be followed.

Other Methods of Communication

10. The customs administration may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter or producer of a good or a producer or supplier of a material. Should any information obtained result in denial of preferential tariff treatment, that information must be confirmed in writing.

Verification Visits

11. Verification visits are performed at the premises of the exporter or producer of a good or the premises of a producer or supplier of a material to verify that the goods meet the rules of origin in accordance with the NAFTA or CCFTA.

Conditions for Conducting a Verification Visit

12. Prior to a visit from a customs administration at the premises of an exporter or producer of a good or of a producer or supplier of a material, the customs administration must send a written notification of the intent to conduct a verification visit by any method that produces a receipt to:

- (a) the customs administration of the country where the verification visit will take place (this notification function is controlled by the Trade Compliance Division);
- (b) the person whose premises are the subject of the verification visit; and
- (c) where requested by the customs administration of the exporting party, that party's embassy located in Canada.

13. The notification referred to in paragraph 12 shall specify:

- (a) the customs administration issuing the notification;
- (b) the name of the person whose premises are to be visited;

- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the verification visit, including a description of the goods and/or materials that are subject to the verification;
- (e) the names and titles of the officers conducting the verification visit; and
- (f) the legal authority for the verification visit.

14. The person whose premises are subject to the verification must give written consent for the customs administration to conduct the verification visit, within 30 days of receiving the notice.

15. Where the producer or supplier of a material does not consent to a verification visit or denies access to the books and records, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

Postponement of a Verification Visit

16. The customs administration of the country being visited may postpone the verification visit, by sending a written request to the officer who sent the notice. This request must be sent within 15 days of receipt of the notice. The postponement must not exceed 60 days from the date of receipt, unless a longer period is agreed to by the customs administrations of the importing and exporting countries. The goods will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

Observers

17. An exporter, producer or supplier subject to a verification visit is permitted to have two observers present during the verification visit. Each person designated as an observer must be identified to the customs official conducting the verification visit at any time prior to or at the commencement of their role as an observer. The observers are not to participate, only to observe. This provision does not preclude the exporter, producer or supplier from having persons available to participate during verification.

Regional Value Content

18. Where a producer elects to average the regional value content of those goods over a time period, the customs administration conducting the verification will not verify the regional value content of those goods, until that time period has elapsed.

19. Should a producer of a motor vehicle elect to average its regional value content calculation over its fiscal year in accordance with paragraph 3 of Article 403 of the NAFTA or paragraph 2 of Article D-03 of the CCFTA, the customs administration conducting the verification may request in writing that a cost submission reflecting the actual costs, incurred in the production of the category of motor vehicles elected, be submitted no later than:

- (a) 180 days after the close of the producer's fiscal year; or
- (b) 60 days from the date on which the request was made.

20. Where the customs administration sends a written request for a cost submission to the producer of a motor vehicle, this written request will be considered to be a verification letter.

Generally Accepted Accounting Principles

21. Where the customs administration finds during a verification that a producer has failed to maintain books and records in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in that country, the officer shall provide written notice to that producer stating that they have 60 days from receipt of the written notice to record those costs in accordance with the GAAP.

Denial or Withdrawal of Preferential Tariff Treatment

22. The customs administration may deny or withdraw the preferential tariff treatment from the goods that are subject to a verification, where:

- (a) the exporter or producer fails to consent to a verification visit within 30 days of confirmed receipt of the notification of the verification visit;
- (b) subject to paragraph 21, the exporter or producer fails to maintain books and records or provide sufficiently detailed information;
- (c) the exporter or producer denies access to books and records;
- (d) the exporter or producer fails to answer the subsequent verification letter or questionnaire within the specified time; or
- (e) the origin of the good is changed because a material used in the production of the good is determined to be non-originating as set out in paragraphs 7 and 15.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

23. The customs administration conducting the verification will provide the exporter or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and legal basis on which the determination was made.

24. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

25. Where the written statement with the notice of intent to deny is being sent to an exporter or producer in:

- (a) Mexico or Chile, the method of sending must provide confirmation of receipt and the notice period given must be at least 30 days from the date of confirmed receipt; or
- (b) the United States or Canada, the notice period given must be at least 30 days from the date sent.

26. If information is brought forward within 30 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

27. Where a verification of a producer or supplier of a material has been conducted, the customs administration conducting the verification will inform the producer or supplier by letter whether or not the specific material under review is an originating material. This letter is sent as an informal courtesy and not as a result of obligations under any legislation or regulation.

Pattern of Conduct by an Exporter or Producer Regarding False or Unsupported Origin Certification

28. Pattern of conduct is established where it has been determined that the exporter or producer has made false or unsupported representations that goods imported in a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article 514 of NAFTA and Article E-14 of CCFTA define "identical goods" as:

... goods that are the same in all respects, including physical characteristics, quality, and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those goods.

29. Once a pattern of conduct is established, the customs administration may withhold preferential tariff treatment on identical goods until the exporter or producer establishes compliance.

30. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after a pattern of conduct has been established.

Interpretation of Tariff Classification and Valuation of Materials

31. This refers to materials used in the production of goods where the exporter or the importer has relied on a tariff classification or value applied to those materials by the customs administration of the country from which the goods were exported.

32. Where the customs administration of the country in which the goods were imported determines that goods do not qualify as originating goods based on a tariff classification or a value applied to one or more of the materials used in the production of those goods, which differs from that of the customs administration of the exporting country, the determination will not become effective until the importer and the person who signed the Certificate of Origin have been notified in writing of the determination by the customs administration of the country in which the goods were imported. This would apply where the exporter has:

(a) been issued an advance ruling or ruling on the tariff classification or value of the materials, or given consistent treatment to the entry of the materials under the tariff classification or value at issue by the customs administration; and

(b) the advance ruling or ruling or consistent treatment, as defined in the Uniform regulations of the free trade agreement, was given prior to notification of the determination.

Note: This applies to a material that is used in the production of goods, or that is used in the production of a material that is used in the production of goods.

33. Where a customs administration denies preferential tariff treatment to goods, and the conditions described in paragraphs 35(a) and (b) exist, the effective date of the denial shall be postponed for a period not exceeding 90 calendar days, with the provision that the importer of those goods or the person who completed and signed the

Certificate of Origin demonstrate that they relied in good faith to their detriment on the tariff classification or value applied to such materials by the customs administration.

34. Consistent treatment means the established application by the customs administration of a party that can be substantiated by the continued acceptance by that customs administration of the tariff classification or value of identical materials on importations of the materials into its territory by the same importer, over a period of not less than two years immediately prior to the date when the Certificate of Origin for the good which is the subject of the determination under paragraph 11 of Article 506 of NAFTA or paragraph 11 of Article E-06 of CCFTA, was completed, provided that with respect to those importations:

(a) the materials had not been accorded a different tariff classification or value by one or more district, regional, or local offices of that customs administration on the date of the determination; and

(b) the tariff classification or value of such materials is not the subject of a verification, review, or appeal by that customs administration on the date of the determination.

Modification or Revocation of a Ruling

35. Where the customs administration modifies or revokes a ruling other than an advance ruling, the modification or revocation shall not apply to goods, which are the subject of the ruling, that have been imported by the person who was given the ruling prior to the date of modification or revocation, if:

(a) all the terms and conditions specified in the ruling have been complied with; and

(b) there has been no change in the material facts or circumstances on which the ruling was based.

Review and Appeal

36. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the exporter or producer. A decision to deny preferential tariff treatment is appealable by the importer, and the exporter or producer who signed the Certificate of Origin.

37. Where a producer who is not the exporter signs a Certificate of Origin voluntarily for the exporter, the producer will also have the right to appeal the re-determination of origin.

38. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

39. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

40. Similarly, fraudulent certification by a Canadian exporter or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix B – Guidelines for CIFTA Verifications

1. CIFTA provides the customs administration of the exporting country the right to decide to collect the verification information themselves and to provide it to the customs administration of the importing country, which will then make the determination.
2. Israel has chosen to collect the information on behalf of Canada, while Canada has elected not to exercise its right to collect the information on behalf of the other Party.

Scope of a Verification

3. The purpose of verification is to determine whether goods imported in a free trade country are entitled to the preferential rate of duty accorded under that free trade agreement.

Manner of Conducting a Verification of Origin

4. A verification can be conducted by way of
 - (a) verification questionnaires; or
 - (b) visits to the premises.

Verification of Goods Imported Into Canada

5. Where the verification is conducted by verification questionnaire, the verification officer may send the verification questionnaire directly to the exporter or producer, provided they also send a copy of the verification questionnaire to the customs administration of the exporting party.
6. Should the customs administration of Canada determine that a verification visit is necessary, the designated office in Israel will be contacted to conduct the verification on behalf of the CBSA.
7. Article 5.6 and Annex 5.6.2 of CIFTA detail the procedures that the customs administration of Israel or another CIFTA beneficiary will follow in performing verification on behalf of the CBSA.
8. The CBSA may choose to be present at an office designated by the customs administration of Israel or another CIFTA beneficiary, for purposes of directing the manner in which the verification visit is to proceed.

Verification Questionnaires

9. The exporter or producer must complete and return the questionnaire within 30 days from the date the verification questionnaire was sent.
10. A verification questionnaire shall specify:
 - (a) the customs administration on whose behalf the verification questionnaire is being sent;
 - (b) the goods subject to verification;
 - (c) the period within which the verification questionnaire must be completed; and
 - (d) the name and title of the person from the exporting party's customs administration acting on behalf of the CBSA.

Conditions for Conducting a Verification Visit

11. Prior to a verification visit from a customs administration at the premises of an exporter or producer, the customs administration must send a written notification of the intent to conduct a verification visit by any method that produces a receipt to:

- (a) the customs administration of the exporting country where the verification visit will take place (this notification function is controlled by the Trade Compliance Division); and
- (b) the person whose premises are the subject of the verification visit (for the CBSA, the Israeli customs administration will be acting on its behalf).

12. The notice referred to in paragraph 11(b) shall specify:

- (a) the customs administration conducting the verification and, when required, the identity of the customs administration on whose behalf the notice is being sent;
- (b) the name of the exporter or producer whose premises are to be visited;
- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the proposed verification visit, including specific reference to the goods that are the subject of the verification of origin;
- (e) the names and titles of the officers or persons conducting the verification visit on behalf of the CBSA; and
- (f) the legal authority for the verification visit.

13. The person whose premises are subject to the verification must give written consent for the customs administration to conduct the verification visit, within 30 days of receiving the notice.

Postponement of a Verification Visit

14. The customs administration of the country being visited may postpone the verification visit, by sending a written request to the officer who sent the notice. This request must be sent within 15 days of receipt of the notice. The postponement must not exceed 60 days from the date of receipt, unless a longer period is agreed to by the customs administration of the importing and exporting countries. The goods will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

Observers

15. An exporter or producer subject to a verification visit is permitted to have two observers present during the verification visit. Each person designated as an observer must be identified to the customs official conducting the verification visit at any time prior to or at the commencement of their role as an observer. The observers are not to participate, only to observe. This provision does not preclude the exporter or producer from having persons available to participate during verification.

Withdrawal of Preferential Tariff Treatment

16. The customs administration may withdraw preferential tariff treatment from the goods that are subject to a verification, where:

- (a) the exporter or producer fails to consent to a verification visit within 30 days of confirmed receipt of the notification of the verification visit;
- (b) the exporter or producer fails to complete and return the verification questionnaire within the specified time;
- (c) the exporter or producer fails to maintain records or provide sufficiently detailed information; or
- (d) the exporter or producer denies access to those records.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

17. The customs administration conducting the verification will provide the exporter or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings of fact and the legal basis on which the determination was made.

Review and Appeal

18. Where the origin of the goods has been re-determined and preferential tariff treatment has been withdrawn, the CBSA shall notify the exporter or producer. A decision to withdraw preferential tariff treatment is appealable by the importer, and the exporter or producer who signed the Certificate of Origin.

19. Where a producer who is not the exporter signs a Certificate of Origin voluntarily for the exporter, the producer will also have the right to appeal the re-determination of origin.

20. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

21. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

22. Similarly, fraudulent certification by a Canadian exporter or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix C – Guidelines for CCRFTA Verifications

Scope of a Verification

1. The purpose of verification is to determine whether goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:

- (a) verification questionnaires;
- (b) verification letters;
- (c) visits to the premises;
- (d) a review of any other information received by the exporter or producer of the good, or the producer or supplier of a material; or
- (e) such other procedures as the Parties may agree.

Verification Letters and Questionnaires

3. As part of the verification process, the customs administration may send, to the exporter or producer of a good or a producer or supplier of a material, by any method that produces a confirmation of receipt, a verification questionnaire or letter identifying:

- (a) the customs administration requesting the information;
- (b) the name and title of the officer sending the verification letter or questionnaire;
- (c) the goods or materials that are the subject of the verification;
- (d) the period within which the verification letter must be answered or the verification questionnaire must be completed and returned; and
- e) may include a notice of denial of preferential tariff treatment if the exporter or producer does not submit a duly completed questionnaire, or the required information, within that period.

The information requested in the verification questionnaire or letter is a consolidation of information that the exporter, producer or supplier would use to determine whether the goods qualify for preferential tariff treatment under the CCRFTA.

4. The period mentioned in paragraph 3(d) shall not be less than 30 days after the date on which the verification letter or questionnaire was received.

5. The person who receives the verification letter or questionnaire may, on a single occasion, make a written request within 30 days of receipt for an extension of not more than 30 days.

6. Where a response to an initial verification questionnaire or letter has not been received, within the specified time, from the exporter or producer and where no extension request referred to in paragraph 5 has been made, instructions provided under paragraphs 24 to 27 of this appendix must be followed.

7. Where the producer or supplier of a material fails to respond to a verification questionnaire or letter, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.
8. For the purposes of verifying the origin of a good, a customs administration may request that the importer of the good voluntarily obtain and supply written information voluntarily provided by the exporter or producer of the good. Failure or refusal of the importer to do so will not be considered as a failure of the exporter or producer to supply the information, or as a ground for denying preferential tariff treatment.
9. If it is found that the information provided in the verification questionnaire or letter is insufficient to determine whether the good is an originating good, the customs administration can request additional information by corresponding with the exporter or producer of a good or a supplier or producer of a material, or undertaking a verification visit.
10. Where the customs administration is able to determine whether the goods qualify for the preferential tariff treatment from the information provided, instructions provided under paragraphs 24 to 28 of this appendix must be followed.

Other Methods of Communication

11. The customs administration may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter or producer of a good or a producer or supplier of a material. Should any information obtained result in denial of preferential tariff treatment, that information must be confirmed in writing.

Verification Visits

12. Verification visits are performed at the premises of the exporter or producer of a good or the premises of a producer or supplier of a material to verify that the goods meet the rules of origin in accordance with the CCRFTA.

Conditions for Conducting a Verification Visit

13. Prior to a verification visit from a customs administration at the premises of an exporter or producer of a good or of a producer or supplier of a material, the customs administration must send a written notification of intent to conduct a verification visit to by any method that produces confirmation of receipt to:

- (a) the customs administration of Costa Rica;
- (b) the person whose premises are the subject of the verification visit; and
- (c) where requested by the customs administration of Costa Rica, the Embassy of Costa Rica located in Canada.

14. The written notice to the customs administration of Costa Rica must be sent at least 5 working days before it is sent to the person whose premises are subject to the verification visit. In all instances, the written notice shall be sent by any method that produces confirmation of receipt.

15. The written notification referred to in paragraph 13 must specify:

- (a) the identity of the customs administration issuing the notification;
- (b) the name of the person whose premises are to be visited;

(c) the date and place of the proposed verification visit;

(d) the object and scope of the verification visit, including a description of the goods and/or materials which are subject to the verification;

(e) the names and titles of the officers conducting the verification visit; and

(f) the legal authority for the verification visit.

16. The person whose premises are subject to the verification must give written consent for the customs administration to conduct the verification visit within 30 days of receiving the notice.

17. Where the producer or supplier of a material does not consent to a verification visit or denies access to the records, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

Postponement of a Verification Visit

18. The customs administration of Costa Rica may postpone the verification visit, by sending a written request to the officer who sent the notice. This request must be sent within 15 days of receipt of the notice. The postponement period must not exceed 60 days from the date of receipt, unless a longer period is agreed to by the customs administration of the importing and exporting countries. The goods will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

19. A person who receives written notification, as described in paragraphs 13 to 15 above, may, on a single occasion, within 15 days of receipt of the notice, request a postponement of the verification visit. The request must be made in writing to the officer who sent the notice and may not exceed 60 days from the date of receipt of the notice, unless a longer period is agreed to by the customs administration conducting the verification.

Observers

20. An exporter, producer or supplier subject to a verification visit is permitted to have two observers present during the verification visit. Each person designated as an observer must be identified to the customs official conducting the verification visit at any time prior to or at the commencement of their role as an observer during the verification visit. The observers are not to participate, only to observe. This provision does not preclude the exporter, producer or supplier from having persons available to participate during verification.

Regional Value Content

21. Where a producer of goods elects to average the regional value content of those goods over a time period, the customs administration conducting the verification will not verify the regional value content of those goods, until that time period has elapsed.

Generally Accepted Accounting Principles

22. Where the customs administration finds during a verification that producer has failed to maintain records in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in the territory of Costa Rica, the officer shall provide written notice to that producer stating that they have 60 days from receipt of the written notice to record those costs in accordance with the GAAP. The written notice shall be sent by any method that produces confirmation of receipt.

Denial or Withdrawal of Preferential Tariff Treatment

23. The customs administration conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of a verification where:

- (a) the exporter or producer fails to answer the verification letter or complete the verification questionnaire within 30 days of confirmed receipt or extension date, if requested;
- (b) the exporter or producer does not consent to a verification visit within 30 days of confirmed receipt of the notification of visit or such longer period, if a postponement of the verification visit has been requested, within the time limitations specified in paragraph 19;
- (c) subject to paragraph 22, the exporter or producer fails to maintain records or provide sufficiently detailed information;
- (d) the exporter or producer denies access to those records; or
- (e) the origin of the good is changed because a material used in the production of the good is determined to be non-originating as set out in paragraphs 7 and 17.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

24. The customs administration conducting the verification will provide the exporter or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made.

25. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

26. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

27. If information is brought forward within 10 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

28. Where a verification of a producer or supplier of a material has been conducted, the customs administration conducting the verification will inform the producer or supplier by letter whether or not the specific material under review is an originating material. This letter is sent as an informal courtesy and not as a result of obligations under any legislation or regulation.

Pattern of Conduct by an Exporter or Producer Regarding False or Unsupported Origin Certification

29. Pattern of conduct is established where it has been determined that the exporter or producer has made false or unsupported representations that goods imported into a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article V.14 of the CCRFTA defines "identical goods" as:

...goods that are the same in all respects, including physical characteristics, quality and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those goods.

30. Once a pattern of conduct is established, the customs administration may withhold preferential tariff treatment on identical goods until the exporter or producer establishes compliance.

31. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after pattern of conduct has been established.

Interpretation of Tariff Classification and Valuation of Materials

32. This refers to materials used in the production of goods where the exporter or the importer has relied on a tariff classification or value applied to those materials by the customs administration of the country from which the goods were exported.

33. Where the customs administration of the country into which the goods were imported determines that goods do not qualify as originating goods based on a tariff classification or a value applied to one or more of the materials used in the production of those goods, which differs from that of the customs administration of the exporting country, the determination will not become effective until the importer and the person who signed the Certificate of Origin have been notified in writing of the determination by the customs administration of the country in which the goods were imported. This would apply where the exporter has:

(a) been issued an advance ruling or ruling on the tariff classification or value of the materials, or given consistent treatment to the entry of the materials under the tariff classification or value at issue by the customs administration; and

(b) the advance ruling or ruling or consistent treatment, as defined in the Uniform Regulations of the free trade agreement, was given prior to notification of the determination.

Note: This applies to a material that is used in the production of goods, or that is used in the production of a material that is used in the production of goods.

34. Where a customs administration denies preferential tariff treatment to goods, and the conditions described in paragraphs 35(a) and (b) exist, the effective date of the denial shall be postponed for a period not exceeding 90 calendar days, with the provision that the importer of those goods or the person who completed and signed the Certificate of Origin demonstrate having relied in good faith to their detriment on the tariff classification or value applied to such materials by the customs administration.

35. Consistent treatment means the established application by the customs administration of a party that can be substantiated by the continued acceptance by that customs administration of the tariff classification or value of identical materials on importations of the materials into its territory by the same importer, over a period of not less than two years immediately prior to the date when the Certificate of Origin for the good which is the subject of the determination under paragraph 14 of Article V.6 of CCRFTA, was completed, provided that with respect to those importations:

(a) the materials had not been accorded a different tariff classification or value by one or more district, regional, or local offices of that customs administration on the date of the determination; and

(b) the tariff classification or value of such materials is not the subject of a verification, review, or appeal by that customs administration on the date of the determination.

Modification or Revocation of a Ruling

36. Where the customs administration modifies or revokes a ruling other than an advance ruling, the modification or revocation shall not apply to goods, which are the subject of the ruling, that have been imported by the person who was given the ruling prior to the date of modification or revocation, if:

(a) all the terms and conditions specified in the original ruling have been complied with; and

(b) there has been no change in the material facts or circumstances on which the ruling was based.

Review and Appeal

37. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the exporter or producer. A decision by the CBSA to deny preferential tariff treatment is appealable by the importer, and the exporter or producer who signed the Certificate of Origin.

38. Where a producer who is not the exporter signs a Certificate of Origin voluntarily for the exporter, the producer will also have the right to appeal the re-determination of origin.

39. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

40. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

41. Similarly, fraudulent certification by a Canadian exporter or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix D – Guidelines for CPFTA, CCOFTA, CJFTA and CPAFTA Verifications

Scope of Verification

1. The purpose of verification is to determine whether goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:

(a) verification questionnaires;

- (b) verification letters;
- (c) visits to the premises;
- (d) a review of any other information received by the exporter or producer of the good, or the producer or supplier of a material; or
- (e) such other procedures as the Parties may agree.

Verification Letters and Questionnaires

3. As part of the verification process, the customs administration may send, to the exporter or producer of a good or a producer or supplier of a material, by any method that produces a confirmation of receipt, a verification questionnaire or letter identifying:

- (a) the customs administration requesting the information;
- (b) the name and title of the officer sending the verification letter or questionnaire;
- (c) the goods or materials that are the subject of the verification; and
- (d) the period within which the verification letter must be answered or the verification questionnaire must be completed and returned.

The information requested in the verification questionnaire or letter is a consolidation of information that the exporter, producer or supplier would use to determine whether the goods qualify for preferential tariff treatment under the CPFTA, CCOFTA, CJFTA or CPAFTA.

4. The period mentioned in paragraph 3(d) shall not be less than 30 days beginning on the date on which the verification letter or questionnaire was received.

5. The person who receives the verification letter or questionnaire may, on a single occasion, make a written request within 30 days of receipt for an extension of not more than 30 days.

6. Where a response to an initial verification questionnaire or letter has not been received, within the specified time, from the exporter or producer and where no extension request referred to in paragraph 6 has been made, the instructions provided under paragraphs 21 to 24 of this appendix must be followed.

7. Where the producer or supplier of a material fails to respond to a verification questionnaire or letter, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating in determining whether the good is originating.

8. If it is found that the information provided in the verification questionnaire or letter is insufficient to determine whether the good is an originating good, the customs administration can request additional information by corresponding with the exporter or producer of a good or a supplier or producer of a material, or undertaking a verification visit.

9. Where the customs administration is able to determine whether the goods qualify for the preferential tariff treatment from the information provided, instructions provided under paragraphs 21 to 25 of this appendix must be followed.

Other Methods of Communication

10. The customs administration may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter, producer, or importer of a good or a producer or supplier of a material. Should any information obtained result in denial of preferential tariff treatment, that information must be confirmed in writing.

Verification Visits

11. Verification visits are performed at the premises of the exporter or producer of a good or the premises of a producer or supplier of a material to verify that the goods meet the rules of origin in accordance with the CPFTA, CCOFTA, CJFTA or CPAFTA.

Conditions for Conducting a Verification Visit

12. Prior to a verification visit from a customs administration at the premises of an exporter or producer of a good or of a producer or supplier of a material, the customs administration must send a written notification of intent to conduct a verification visit by any method that produces confirmation of receipt to:

- (a) the customs administration of the country where the verification visit will take place;
- (b) the person whose premises are the subject of the verification visit; and
- (c) where requested by the customs administration of the exporting party, that party's embassy located in Canada.

13. The written notification referred to in paragraph 12 must specify:

- (a) the identity of the customs administration issuing the notification;
- (b) the name of the person whose premises are to be visited;
- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the verification visit, including a description of the goods and/or materials which are subject to the verification;
- (e) the names and titles of the officers conducting the verification visit; and
- (f) the legal authority for the verification visit.

14. The exporter or producer whose premises are subject to the verification must give written consent for the customs administration to conduct the verification visit within 30 days of receiving the notice.

15. Where the producer or supplier of a material does not consent to a verification visit or denies access to the records, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

Postponement of a Verification Visit

16. The customs administration of the country being visited may postpone the verification visit, by sending a written request to the officer who sent the notice. This request must be sent within 15 days after the day on which it receives the notice. The postponement period must not exceed 60 days beginning on the day on which the notice is

received, unless a longer period is agreed to by the customs administration of the importing and exporting countries. The goods will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

17. A person who receives written notification, as described in paragraphs 12 and 13 above, may, on a single occasion, within 15 days after the day on which the notice is received, request a postponement of the verification visit. The request must be made in writing to the officer who sent the notice and may not exceed 60 days beginning on the day on which the notice is received, unless a longer period is agreed to by the customs administration conducting the verification.

Observers

18. An exporter, producer or supplier subject to a verification visit is permitted to have two observers present during the verification visit. Each person designated as an observer must be identified to the customs official conducting the verification visit at any time prior to or at the commencement of their role as an observer during the verification visit. The observers are not to participate, only to observe. This provision does not preclude the exporter, producer or supplier from having persons available to participate during verification.

Generally Accepted Accounting Principles

19. Where a Party conducts a verification of origin involving a value test, "de minimis" calculation or any other provision in Chapter Three (Rules of Origin) of the CPFTA, in Chapter Three (Rules of Origin) of the CCOFTA, in Chapter Four (Rules of Origin) of the CJFTA, or in Chapter Three (Rules of Origin) of the CPAFTA, to which Generally Accepted Accounting Principles may be relevant, it shall apply such principles as are applicable in the territory of the other Party.

Denial or Withdrawal of Preferential Tariff Treatment

20. The customs administration conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification where:

- (a) the exporter or producer fails to answer the verification letter or complete the verification questionnaire within 30 days of confirmed receipt or extension date, if requested;
- (b) the exporter or producer does not provide written consent to a verification visit within 30 days after the day on which the notice of visit is received or, for such longer period if a postponement of the verification visit has been requested, within the time limitations specified in paragraph 17;
- (c) subject to paragraph 19, the exporter or producer fails to maintain records in accordance with the applicable laws of the country in which the verification of origin is conducted or provide sufficiently detailed information;
- (d) the exporter or producer denies access to those records; or
- (e) the origin of the good is changed because a material used in the production of the good is determined to be non-originating as set out in paragraphs 7 and 15.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

21. The customs administration conducting the verification will provide the exporter or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made.

22. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

23. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

24. If information is brought forward within 10 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

25. Where a verification of a producer or supplier of a material has been conducted, the customs administration conducting the verification will inform the producer or supplier by letter whether or not the specific material under review is an originating material. This letter is sent as an informal courtesy and not as a result of obligations under any legislation or regulation.

Pattern of Conduct by an Exporter or Producer Regarding False or Unsupported Origin Certification

26. Pattern of conduct is established where it has been determined that the exporter or producer has made false or unsupported representations that goods imported into a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article 423 of CPFTA, Article 423 of CCOFTA, Article 5-11 of CJFTA, and Article 4.01 of CPAFTA, define "identical goods" as:

...goods that are the same in all respects, including physical characteristics, quality and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those goods...

27. Once a pattern of conduct is established, the customs administration may withhold preferential tariff treatment on identical goods until the exporter or producer establishes compliance.

28. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after pattern of conduct has been established.

Modification or Revocation of a Ruling

29. Where the customs administration modifies or revokes a ruling other than an advance ruling, the modification or revocation shall not apply to goods, which are the subject of the ruling, that have been imported by the person who was given the ruling prior to the date of modification or revocation, if:

(a) all the terms and conditions specified in the original ruling have been complied with; and

(b) there has been no change in the material facts or circumstances on which the ruling was based.

Review and Appeal

30. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the exporter or producer. A decision by the CBSA to deny preferential tariff treatment is appealable by the importer, and the exporter or producer who signed the Certificate of Origin.

31. Where a producer who is not the exporter signs a Certificate of Origin voluntarily for the exporter, the producer will also have the right to appeal the re-determination of origin.

32. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

33. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

34. Similarly, fraudulent certification by a Canadian exporter or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix E– Guidelines for CHFTA Verifications

Scope of a Verification

1. The purpose of verification is to determine whether goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:

- (a) verification questionnaires;
- (b) verification letters;
- (c) visits to the premises;
- (d) a review of any other information received by the exporter or producer of the good, or the producer or supplier of a material; or
- (e) such other procedures as the Parties may agree.

Verification Letters and Questionnaires

3. As part of the verification process, the customs administration may send to the exporter or producer of a good or a producer or supplier of a material, by any method that produces a confirmation of receipt, a verification questionnaire or letter identifying:

- (a) the customs administration requesting the information;
- (b) the name and title of the officials sending the verification letter or questionnaire;
- (c) the goods or materials that are the subject of the verification;

(d) the period within which the verification letter must be answered or the verification questionnaire must be completed and returned; and

(e) may include a notice of denial of preferential tariff treatment if the exporter or producer does not submit a duly completed questionnaire, or the required information, within that period.

The information requested in the verification questionnaire or letter is a consolidation of information that the exporter, producer or supplier would use to determine whether the goods qualify for preferential tariff treatment under the CHFTA.

4. The period mentioned in paragraph 3(d) shall not be less than 30 days and no more than 60 days beginning on the date on which the verification letter or questionnaire was received.

5. The person who receives the verification letter or questionnaire may, on a single occasion, make a written request within the period specified in paragraph 4 for an extension of not more than 30 days. Exporters and producers may request in writing a longer period if the following exceptional circumstances apply:

(a) the bankruptcy of the exporter or producer or any other financial distress situation or business reorganization that resulted in that person or a related person having lost control of the records containing the information that substantiates that the good is an originating good; and

(b) any other reason that results in partial or complete loss of records of that exporter or producer that that person could not reasonably have been expected to foresee, including loss of records due to fire, flooding or other natural cause.

6. Where a response to a verification questionnaire or letter has not been received, within the specified time, from the exporter or producer and where no extension request referred to in paragraph 5 has been made, the instructions provided under paragraphs 27 to 30 of this appendix must be followed.

7. Where the producer or supplier of a material fails to respond to a verification questionnaire or letter, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

8. If it is found that the information provided in the verification questionnaire or letter is insufficient to determine whether the good is an originating good, the customs administration can request additional information by corresponding with the exporter or producer of a good, or undertaking a verification visit.

9. For the purposes of verifying the origin of a good, a customs administration may request that the importer of the good voluntarily obtain and supply written information voluntarily provided by the exporter or producer of the good. Failure or refusal of the importer to do so will not be considered as a failure of the exporter or producer to supply the information, or as a ground for denying preferential tariff treatment.

10. Where the customs administration is able to determine whether the goods qualify for the preferential tariff treatment from the information provided, instructions provided under paragraphs 27 to 31 of this appendix must be followed.

Other Methods of Communication

11. The customs administration may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter or producer of a good or a producer or supplier of a material. Should any information obtained result in denial of preferential tariff treatment, that information must be confirmed in writing.

Verification Visits

12. Verification visits are performed at the premises of the exporter or producer of a good or the premises of a producer or supplier of a material to verify that the goods meet the rules of origin in accordance with the CHFTA.

Conditions for Conducting a Verification Visit

13. Prior to a verification visit from a customs administration at the premises of an exporter or producer of a good or of a producer or supplier of a material, the customs administration must send a written notification of intent to conduct a verification visit by any method that produces confirmation of receipt to:

- (a) the customs administration of Honduras;
- (b) the person whose premises are the subject of the verification visit; and
- (c) where requested by the customs administration of Honduras, the Embassy of Honduras located in Canada.

14. The written notice to the customs administration of Honduras must be sent at least 5 working days before it is sent to the person whose premises are subject to the verification visit. In all instances, the written notice shall be sent by any method that produces confirmation of receipt.

15. The written notification referred to in paragraph 13 must specify:

- (a) the identity of the customs administration issuing the notification;
- (b) the name of the person whose premises are to be visited;
- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the verification visit, including a description of the goods and/or materials which are subject to the verification;
- (e) the names and titles of the officials conducting the verification visit; and
- (f) the legal authority for the verification visit.

16. The exporter or producer whose premises are subject to the verification must give written consent for the customs administration to conduct the verification visit within 30 days of receiving the notice.

17. Where the producer or supplier of a material does not consent to a verification visit or denies access to the records, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

18. Where there are changes to the information referred to in paragraph 15(e) above, written notification to the exporter or producer or a producer or supplier of a material and the customs administration of the country where the verification visit will take place will be required.

19. Where there are changes to the information referred to in paragraph 15 (a), (b), (c), (d), and (f) above, a new notice referred to in paragraph 13 will be required.

Postponement of a Verification Visit

20. The customs administration of the country being visited may postpone the verification visit, by sending a written request to the official who sent the notice. This request must be sent within 15 days after the day on which it receives the notice. The postponement period must not exceed 60 days beginning on the day on which the notice is received, unless a longer period is agreed to by the customs administration of the importing and exporting countries. The goods will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

21. A person who receives written notification, as described in paragraphs 13 to 15 above, may, on a single occasion, within 15 days after the day on which the notice is received, request a postponement of the verification visit. The request must be made in writing to the official who sent the notice and may not exceed 60 days beginning on the day on which the notice is received, unless a longer period is agreed to by the customs administration conducting the verification.

Observers

22. An exporter, producer or supplier subject to a verification visit is permitted to have two observers present during the verification visit. Each person designated as an observer must be identified to the customs official conducting the verification visit at any time prior to or at the commencement of their role as an observer during the verification visit. The observers are not to participate, only to observe. This provision does not preclude the exporter, producer or supplier from having persons available to participate during verification.

Regional Value Content

23. Where a producer of goods or a producer or supplier of a material elects to average the regional value content of those goods or materials over a time period, the customs administration conducting the verification will not verify the regional value content of those goods, until that time period has elapsed.

Generally Accepted Accounting Principles

24. Where a Party conducts a verification of origin involving a value test, "de minimis" calculation or any other provision in Chapter Four (Rules of Origin) of the CHFTA, to which Generally Accepted Accounting Principles (GAAP) may be relevant, it shall apply such principles as are applicable in the territory of the other Party.

25. Where the customs administration finds during a verification that a producer has failed to maintain records in accordance with the GAAP applicable in the territory of Honduras, the officer shall provide written notice to that producer stating that they have 60 days from receipt of the written notice to record those costs in accordance with the GAAP. The written notice shall be sent by any method that produces confirmation of receipt.

Denial or Withdrawal of Preferential Tariff Treatment

26. The customs administration conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification where:

- (a) the exporter or producer fails to answer the verification letter or complete the verification questionnaire within at least 30 days, and no more than 60 days of confirmed receipt or 30 days of the extension date, if requested;
- (b) the exporter or producer does not provide written consent to a verification visit within 30 days after the day on which the notice of visit is received or, for such longer period if a postponement of the verification visit has been requested, within the time limitations specified in paragraph 21;
- (c) subject to paragraph 25, the exporter or producer fails to maintain records in accordance with the applicable laws of the country in which the verification of origin is conducted or provide sufficiently detailed information;
- (d) the exporter or producer denies access to those records; or
- (e) the origin of the good is changed because a material used in the production of the good is determined to be non-originating as set out in paragraphs 7 and 17.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

27. The customs administration conducting the verification will, within 120 days of having received the necessary information, provide the exporter or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made. The customs administration may extend that period by up to 90 days by providing a notification of extension to the exporter or producer.

28. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

29. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

30. If information is brought forward within 10 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

31. Where a verification of a producer or supplier of a material has been conducted, the customs administration conducting the verification will inform the producer or supplier by letter whether or not the specific material under review is an originating material. This letter is sent as an informal courtesy and not as a result of obligations under any legislation or regulation.

Pattern of Conduct by an Exporter or Producer Regarding False or Unsupported Origin Certification

32. Pattern of conduct is established where it has been determined that the exporter or producer has made false or unsupported representations that goods imported into a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article 4.1 of CHFTA define "identical goods" as:

... defined in Article 15.2(a) of the Customs Valuation Agreement.

33. Once a pattern of conduct is established, the customs administration may withhold preferential tariff treatment on identical goods until the exporter or producer establishes compliance.

34. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after pattern of conduct has been established.

Interpretation of Tariff Classification and Valuation of Materials

35. This refers to materials used in the production of goods where the exporter or the importer has relied on a tariff classification or value applied to those materials by the customs administration of the country from which the goods were exported.

36. Where the customs administration of the country in which the goods were imported determines that goods do not qualify as originating goods based on a tariff classification or a value applied to one or more of the materials used in the production of those goods, which differs from that of the customs administration of the exporting country, the determination will not become effective until the importer and the person who signed the Certificate of Origin have been notified in writing of the determination by the customs administration of the country in which the goods were imported. This would apply where the exporter has:

(a) been issued an advance ruling or ruling on the tariff classification or value of the materials, or given consistent treatment to the entry of the materials under the tariff classification or value at issue by the customs administration; and

(b) the advance ruling or ruling or consistent treatment, as defined in the Uniform regulations of the free trade agreement, was given prior to notification of the determination.

Note: This applies to a material that is used in the production of goods, or that is used in the production of a material that is used in the production of goods.

37. Where a customs administration denies preferential tariff treatment to goods, and the conditions described in paragraphs 38(a) and (b) exist, the effective date of the denial shall be postponed for a period not exceeding 90 calendar days, with the provision that the importer of those goods or the person who completed and signed the Certificate of Origin demonstrate having relied in good faith to their detriment on the tariff classification or value applied to such materials by the customs administration.

38. Consistent treatment means the established application by the customs administration of a party that can be substantiated by the continued acceptance by that customs administration of the tariff classification or value of identical materials on importations of the materials into its territory by the same importer, over a period of not less than two years immediately prior to the date when the Certificate of Origin for the good which is the subject of the determination under paragraph 14 of Article 5.7 of CHFTA, was completed, provided that with respect to those importations:

(a) the materials had not been accorded a different tariff classification or value by one or more district, regional, or local offices of that customs administration on the date of the determination; and

(b) the tariff classification or value of such materials is not the subject of a verification, review, or appeal by that customs administration on the date of the determination.

Modification or Revocation of a Ruling

39. Where the customs administration modifies or revokes a ruling other than an advance ruling, the modification or revocation shall not apply to goods, which are the subject of the ruling, that have been imported by the person who was given the ruling prior to the date of modification or revocation, if:

(a) all the terms and conditions specified in the original ruling have been complied with; and

(b) there has been no change in the material facts or circumstances on which the ruling was based.

Review and Appeal

40. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the exporter or producer. A decision by the CBSA to deny preferential tariff treatment is appealable by the importer, and the exporter or producer who signed the Certificate of Origin.

41. Where a producer who is not the exporter signs a Certificate of Origin voluntarily for the exporter, the producer will also have the right to appeal the re-determination of origin.

42. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

43. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

44. Similarly, fraudulent certification by a Canadian exporter or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix F – Guidelines for CKFTA Verifications

Scope of Verification

1. The purpose of verification is to determine whether goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:

(a) verification questionnaires;

(b) verification letters;

(c) visits to the premises;

(d) a review of any other information received by the exporter or producer of the good, or the producer or supplier of a material; or

(e) such other procedures as the parties may agree.

Verification Letters and Questionnaires

3. As part of the verification process, the customs administration may send, to the exporter or producer of a good or a producer or supplier of a material, by any method that produces a confirmation of receipt, a verification questionnaire or letter identifying:

(a) the customs administration requesting the information;

(b) the name and title of the official sending the verification letter or questionnaire;

(c) the goods or materials that are the subject of the verification; and

(d) the period within which the verification letter must be answered or the verification questionnaire must be completed and returned.

The information requested in the verification questionnaire or letter is a consolidation of information that the exporter, producer, or supplier would use to determine whether the goods qualify for preferential tariff treatment under the CKFTA.

4. The period mentioned in paragraph 3(d) shall not be less than 30 days beginning on the date on which the verification letter or questionnaire was received.

5. Where a response to a verification questionnaire or letter has not been received, within the specified time, from the exporter or producer, instructions provided under paragraphs 23 to 26 of this appendix must be followed.

6. Where the producer or supplier of a material fails to respond to a verification questionnaire or letter, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.
7. If it is found that the information provided in the verification questionnaire or letter is insufficient to determine whether the good is an originating good, the customs administration can request additional information by corresponding with the exporter or producer of a good, or undertaking a verification visit.
8. For the purposes of verifying the origin of a good, a customs administration may request that the importer of the good voluntarily obtain and supply written information voluntarily provided by the exporter or producer of the good. Failure or refusal of the importer to do so will not be considered as a failure of the exporter or producer to supply the information, or as a ground for denying preferential tariff treatment.
9. Where the customs administration is able to determine whether the goods qualify for preferential tariff treatment from the information provided, instructions provided under paragraphs 23 to 27 of this appendix must be followed.

Other Methods of Communication

10. The customs administration may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter or producer of a good or a producer or supplier of a material. Should any information obtained that could result in denial of preferential tariff treatment, that information must be confirmed in writing.

Verification Visits

11. Verification visits are performed at the premises of the exporter or producer of a good or the premises of a producer or supplier of a material to verify that the goods meet the rules of origin in accordance with the CKFTA.

Conditions for Conducting a Verification Visit

12. Prior to a verification visit from a customs administration at the premises of an exporter or producer of a good, or a producer or supplier of a material, the customs administration must send a written notification of intent to conduct a verification visit by any method that produces confirmation of receipt to:

- (a) the customs administration of Korea;
- (b) the person whose premises are the subject of the verification visit; and
- (c) where requested by the customs administration of Korea, the Embassy of Korea located in Canada.

13. The written notification referred to in paragraph 12 must specify:

- (a) the identity of the customs administration issuing the notification;
- (b) the name of the person whose premises are to be visited;
- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the verification visit, including specific reference to the goods and/or materials that is subject to the verification;
- (e) the names and titles of the officials performing the verification visit; and
- (f) the legal authority for the verification visit.

14. The person whose premises are subject to the verification must give written consent for the customs administration to conduct the verification visit within 30 days of receiving the notice.

15. Where the producer or supplier of a material does not consent to a verification visit or denies access to the records, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

Postponement of a Verification Visit

16. The customs administration of the country being visited may postpone the verification visit, by sending a written request to the officer who sent the notice. This request must be sent within 15 days after the day on which it receives the notice. The postponement period must not exceed 60 days beginning on the day on which the notice is received, unless a longer period is agreed to by the Parties. The good or material will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

17. A person, who receives written notification, as described in paragraphs 12 and 13 above, may, on a single occasion, within 15 days after the day on which the notice is received, request a postponement of the verification visit to the Party conducting the verification. The postponement period must not exceed 60 days beginning on the day on which the notice is received.

18. A notice or request for the postponement of a verification visits will be made in writing and sent to the address of the of the office of the customs administration of the Party that sent the notice of intent to conduct a verification visit.

Observers

19. An exporter, producer, or supplier of a material, subject to a verification visit is permitted to have a maximum of two observers present during the verification visit provided that they do not participate in a manner other than as observers. Furthermore, the failure of the exporter, producer, or supplier to designate observers shall not result in the postponement of the visit. This provision does not preclude the exporter, producer or supplier from having persons available to participate during verification.

Regional Value Content

20. Where a producer or a producer or supplier of a material of goods elects to average the regional value content of those goods over a time period, the customs administration conducting the verification will not verify the regional value content of those goods, until that time period has elapsed.

Generally Accepted Accounting Principles

21. Where a Party conducts a verification of origin involving a value test, "de minimis" calculation or any other provision in Chapter Three (Rules of Origin) of the CKFTA, it shall apply those provisions in compliance with the Customs Valuation Agreement, as applicable in the territory of the Party from which the good was exported.

Denial or Withdrawal of Preferential Tariff Treatment

22. The customs administration conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification where:

(a) the exporter or producer fails to answer the verification letter or complete the verification questionnaire within 30 days of confirmed receipt, if requested;

(b) the exporter or producer does not provide written consent to a verification visit within 30 days after the day on which the notice of visit is received or, for such longer period if a postponement of the verification visit has been requested, within the time limitations specified in paragraph 14;

(c) subject to paragraph 21, the exporter or producer of the good fails to maintain records in accordance with the applicable laws of the country in which the verification of origin is conducted or provide sufficiently detailed information;

(d) the exporter or producer denies access to those records; or

(e) the origin of the good is changed because a material used in the production of the good is determined to be non-originating as set out in paragraphs 5 and 15.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

23. The customs administration conducting the verification will provide the exporter or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made.

24. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

25. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

26. If information is brought forward within 30 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

27. Where a verification of a producer or supplier of a material has been conducted, the customs administration conducting the verification will inform the producer or supplier by letter whether or not the specific material under review is an originating material. This letter is sent as an informal courtesy and not as a result of obligations under any legislation or regulation.

Pattern of Conduct by an Exporter or Producer Regarding False or Unsupported Origin Certification

28. Pattern of conduct is established where it has been determined that the exporter or producer has made false or unsupported representations that goods imported into a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article 4.21 of CKFTA defines "identical goods" as:

...goods that are the same in all respects, including physical characteristics, quality and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those goods under Chapter Three (Rules of Origin).

29. Once a pattern of conduct is established, the customs administration may withhold preferential tariff treatment on identical goods until the exporter or producer establishes compliance with Chapter Three (Rules of Origin).

30. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff

treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after pattern of conduct has been established.

Review and Appeal

31. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the exporter or producer. A decision by the CBSA to deny preferential tariff treatment is appealable by the importer, and the exporter or producer who signed the Certificate of Origin.

32. Where a producer who is not the exporter signs a Certificate of Origin voluntarily for the exporter, the producer will also have the right to appeal the re-determination of origin.

33. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

34. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

35. Similarly, fraudulent certification by a Canadian exporter or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix G – Guidelines for CPTPP Verifications

Scope of Verification

1. The purpose of a verification is to determine whether goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:
 - a. verification questionnaires;
 - b. verification letters;
 - c. visits to the premises;
 - d. a review of any other information received by the importer who completed the CPTPP Certificate of Origin, or the exporter or producer of the good, or;
 - e. such other procedures as the Parties may agree.

Note: For the purposes of a textile or apparel good, a verification may be conducted in accordance with this Appendix or Appendix H.

3. Where an origin verification is being conducted based on a certificate of origin completed by an exporter or producer, the importer may provide information or may be requested to provide information. However, where the importer is unable to provide information or does not provide sufficient information to demonstrate that the good is originating, the government authority of the importing Party conducting the

verification shall request information from the exporter or producer who completed the certificate of origin before it may deny the claim for preferential tariff treatment.

4. The government authority of the importing Party conducting the verification shall, within 90 days after receiving all the necessary information to make a determination, provide the written determination. This period may be extended for up to 30 days after notifying the importer, and any exporter or producer who is subject to the verification or who provided information during the verification.

Verification Letters and Questionnaires

5. As part of the verification process, the government authority of the importing Party may send, to the importer who completed the Certificate of Origin, the exporter or producer of a good, by any method that produces a confirmation of receipt, a verification letter or questionnaire identifying:
 - a. the government authority requesting the information;
 - b. the name and title of the officer sending the verification letter or questionnaire;
 - c. the reason for the verification letter or questionnaire, including the specific issue that the requesting Party seeks to resolve with the verification;
 - d. the good that is the subject of the verification;
 - e. the period within which the verification letter must be answered or the verification questionnaire must be completed and returned; and
 - f. include a copy of the relevant information submitted with the good; including the certificate of origin.

The information requested in the verification letter or questionnaire will be limited to information and documentation to determine whether the good is originating. It is a consolidation of information that the importer who completed the CPTPP Certificate of Origin, exporter, or producer would use to determine whether the goods qualify for preferential tariff treatment under the CPTPP.

6. The period mentioned in paragraph 5(e) shall not be less than 30 days after the date on which the verification letter or questionnaire was received.
7. Where a response to a verification questionnaire or letter has not been received, within the specified time, from the exporter, producer or importer, instructions provided under paragraphs 18 to 21 of this appendix must be followed.
8. If it is found that the information provided in the verification questionnaire or letter is insufficient to determine whether the good is an originating good, the government authority of the importing Party can request additional information by corresponding with the exporter, producer, or importer of a good, or undertake a verification visit.
9. Where the government authority of the importing Party is able to determine whether the goods qualify for preferential tariff treatment from the information provided, instructions provided under paragraphs 18 to 22 of this appendix must be followed.

Other Methods of Communication

10. The government authority of the importing Party may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter, producer, or importer of a good. Should

any information obtained result in denial of preferential tariff treatment, that information must be confirmed in writing.

Verification Visits

11. Verification visits are performed at the persons' premises to verify that the goods meet the rules of origin in accordance with the CPTPP.

Conditions for Conducting a Verification Visit

12. Prior to a verification visit from the government authority of the importing Party at the persons' premises, the government authority of the importing Party must send a written notification of the intent to conduct a verification visit by any method that produces a receipt to:

- a. the government authority of the country where the verification visit will take place; and
- b. the person whose premises are the subject of the verification visit.

13. The notification referred to in paragraph 12 must include:

- a. sufficient information to identify the good that is being verified and a copy of relevant information submitted with the good, including the certificate of origin;
- b. the identity of the government authority of the importing Party issuing the notification;
- c. the names and titles of the officials performing the verification visit;
- d. the name of the person whose premises are to be visited;
- e. the date and place of the proposed verification visit;
- f. the object and scope of the verification visit;
- g. whether the importing party requests the government authority of the Party where the exporter or producer is located, assist with the verification;
- h. the legal authority for the verification visit.

14. The person whose premises is subject to the verification must give written consent for the government authority of the importing Party to conduct the verification visit within 30 days of receiving the request.

Participation by the Government Authorities

15. Upon request of the government authority of the importing Party, the government authority where the exporter or producer is located may, as it deems appropriate and in accordance with its laws and regulations, assist with the verification.

16. Where the government authority of the importing Party initiates a verification visit, it must, at the time of the request for the visit, inform the government authority where the exporter or producer is located and provide the opportunity for the officials of that government authority to accompany them during the visit.

Denial or Withdrawal of Preferential Tariff Treatment

17. The government authority of the importing Party conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification where:

- (a) the importer who completed and signed the certificate of origin, the exporter or producer, fails to respond to a verification letter or complete the verification questionnaire within 30 days of confirmed receipt;
- (b) the person whose premises is subject to a verification visit does not provide written consent to a verification visit within 30 days after the day on which the notice of visit is received;
- (c) the importer who completed and signed the certificate of origin, exporter or producer of the good fails to maintain records in accordance with the applicable laws of the country in which the verification of origin is conducted or provide sufficiently detailed information; or
- (d) the importer who completed and signed the certificate of origin, the exporter or producer, denies access to those records.

In such cases, the government authority of the importing Party will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

18. Prior to issuing a written determination, if the government authority of the importing Party intends to deny preferential tariff treatment, the government authority of the importing Party shall inform the importer and any exporter or producer who is subject to the verification and provided information during the verification, of the preliminary results of the verification.

19. The government authority of the importing Party conducting the verification will provide the importer, exporter or, producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made.

20. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

21. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

22. If information is brought forward within 30 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

Pattern of Conduct by an Importer, Exporter, or Producer Regarding False or Unsupported Origin Certification

23. Pattern of conduct is established where it has been determined that the importer, exporter, or producer has made false or unsupported representations that goods imported in a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article 3.27 of the CPTPP defines “identical goods” as:

“... goods that are the same in all respects relevant to the particular rule of origin that qualifies the good as originating.”

24. Once a pattern of conduct is established, the government authority of the importing Party may withhold preferential tariff treatment on identical goods until the importer, exporter or producer establishes compliance.

25. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff

treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after a pattern of conduct has been established.

Review and Appeal

26. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the importer, exporter, or producer. A decision by the CBSA to deny preferential tariff treatment is appealable by the importer, regardless of whether or not it was the importer who signed the Certificate of Origin, and the exporter or producer who signed the Certificate of Origin.

27. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

28. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

29. Similarly, fraudulent certification by a Canadian exporter, importer or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix H – Guidelines for CPTPP Verifications Visits of Textile and Apparel Goods

Scope of Verification Visits

1. The purpose of a verification visit is to determine whether textile or apparel goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement or whether a customs offence may have occurred or is occurring.
2. For the purposes of this Appendix, a textile or apparel good means a textile or apparel good classified in HS subheading 4202.12, 4202.22, 4202.32, or 4202.92 (luggage, handbags and similar articles with an outer surface of textile materials), Chapters 50 through 63, heading 66.01 (umbrellas) or heading 70.19 (yarns and fabrics of glass fiber), subheading 9404.90 (articles of bedding and similar furnishing), or heading 96.19 (babies diapers and other sanitary textile articles).

Manner of Conducting a Verification Visit

3. A verification visit may be conducted by way of the procedures set out in Appendix G or by:
 - a. visits to the persons' premises as per the procedures set out in this Appendix; or
 - b. such other procedures as the Parties may agree in accordance with the procedures set out in this Appendix.

Conditions for Conducting a Verification Visit

4. Prior to a verification visit at the persons' premises:
 - (a) a request for a verification visit shall be sent from the importing Party to the government authority where the exporter or producer is located no later than 20 days before the visit regarding:
 - a. the date(s) of the proposed verification;
 - b. the number of exporters and producers to be visited in sufficient detail to facilitate any assistance by the customs administration where the exporter or producer is located, but does not need to specify the names of exporters or producers to be visited;

- c. whether assistance from the government authority where the exporter or producer is located will be requested and what type;
- d. if relevant, the customs offences being verified, including relevant factual information available at the time of the notification related to the specific offences, which may include historical information; and
- e. whether the importer claimed preferential tariff treatment.

(b) consent to have access to the relevant records or facilities must be obtained in accordance with paragraphs 6 and 11.

Note: After receiving this request, the government authority where the exporter or producer is located may request information from the importing Party regarding logistical arrangements or provision of requested assistance in order to plan for the visit.

- 5. If an importing Party seeks to conduct a visit, it must provide the government authority where the exporter or producer is located as soon as practicable and prior to the date of the first visit to an exporter or producer, with a list of names and addresses of those exporters and producers.
- 6. The person whose premises are subject to the verification must give consent for the government authority of the importing Party to conduct the verification visit no later than the time of the visit. Unless advance notice would undermine the effectiveness of the site visit, the importing Party shall request permission with appropriate advance notice.
- 7. At the time the consent is requested, the person whose premises are subject to the verification will be informed as to the purpose of the visit.
- 8. The government authority of the importing Party, on completion of the visit must:
 - (a) inform the government authority where the exporter or producer is located of its preliminary findings if requested by that government authority;
 - (b) provide the government authority where the exporter or producer is located with a written report of the results of the visit, including any findings, upon written request by that government authority, no later than 90 days after the date of the request;
 - (c) inform the exporter or producer that they may request a written report of the results of the verification visit and if requested, provide that exporter or producer with a written report of the results of the visit, including any findings.

Note: Communication must be limited to the government authority of the importing Party and the government authority where the exporter or producer is located.

Assistance in Conducting a Verification Visit

- 9. Officials of the government authority where the exporter or producer is located may accompany the officials of the government authority of the importing Party during the site visit.
- 10. The officials of the government authority where the exporter or producer is located may, in accordance with its laws and regulations, assist with the verification on request of the government authority of the importing Party or on its own initiative assist with the verification and provide to the extent possible, information it has that is relevant to conduct the site visit.

Postponement of Verification Visit

11. If the person whose premises are subject to the verification denies permission or access request under paragraph 6, the visit will not occur. The government authority of the importing Party shall give consideration to any reasonable alternative dates proposed, taking into account the availability of relevant employees or facilities of the person visited.

Denial or Withdrawal of Preferential Tariff Treatment

12. The government authority of the importing Party conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification:

(a) for a reason listed in the “Denial or Withdrawal of Preferential Tariff Treatment” Section of Appendix G;

(b) if, pursuant to a verification visit under this Appendix it has not received sufficient information to determine that the textile or apparel good qualifies as originating;

(c) if, pursuant to a verification visit under this Appendix, access or permission for the visit is denied, the government authority of the importing Party is prevented from completing the visit on the proposed date, and the exporter or producer does not provide an alternative date acceptable to the government authority of the importing Party, or the exporter or producer does not provide access to the relevant records or facilities during a visit.

13. The importing Party shall not deny a claim for preferential tariff treatment solely on the grounds that the government authority where the exporter or producer is located did not provide the requested assistance or information. (Para 10 of CPTPP)

Written Statement

14. Prior to issuing a written determination, if an importing Party conducts a site visit under paragraph 3(a) of this Appendix and, as a result, intends to deny preferential tariff treatment to a textile or apparel good, it shall, inform the importer and any exporter or producer that provided information directly to the government authority of the importing Party of the preliminary results of the verification in writing.

15. The government authority of the importing Party conducting the verification visit will provide the importer, exporter, or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made.

16. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified. If advance notice for a site was not given, the person whose premises are subject to the verification may request an additional 30 days.

17. If information is brought forward, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

18. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

Note: For Pattern of Conduct by an Importer, Exporter, or Producer Regarding False or Unsupported Origin Certification, Review and Appeal, and Evidence of Fraud see Appendix G Guidelines for CPTPP Verifications

Appendix I– Guidelines for CUSMA Verifications

Scope of a Verification

1. The purpose of a verification is to determine whether goods imported into a free trade country are entitled to a preferential rate of duty accorded under that free trade agreement.

Manner of Conducting a Verification of Origin

2. A verification may be conducted by way of:

(a) verification questionnaires, including documents;

(b) verification letters;

(c) visits to the premises;

(d) a review of any other information received by the importer who completed the CUSMA Certificate of Origin, the exporter or producer of the good, or the producer or supplier of a material; or

(e) such other procedures as the Parties may agree.

Note: For the purposes of a textile or apparel good, a verification may be conducted in accordance with this Appendix or Appendix J.

3. Where an origin verification is being conducted based on a certificate of origin completed by an exporter or producer, the importer may provide information or may be requested to provide information. However, where the importer is unable to provide information or does not provide sufficient information to demonstrate that the good is originating, the customs administration of the importing Party conducting the verification shall request information from the exporter or producer who completed the certificate of origin before it may deny the claim for preferential tariff treatment.

4. As part of the verification process, where a verification of origin has not been initiated with the importer, the importer must be informed, only for knowledge purposes, of the initiation of the verification.

5. The customs administration conducting the verification shall, within 120 days after receiving all the necessary information to make a determination, provide the written determination. This period may be extended, in exceptional cases, for up to 90 days after notifying the importer, and any exporter or producer who is subject to the verification or who provided information during the verification.

Verification Letters and Questionnaires

6. As part of the verification process, the customs administration may send, to the importer who completed the CUSMA certificate of origin, the exporter or producer of the good, or a producer or supplier of a material, by any method that produces a confirmation of receipt, a verification questionnaire or letter identifying:

(a) the customs administration requesting information;

(b) the name and title of the officer sending the verification letter or questionnaire;

(c) the object and scope of the verification, including the specific issue the requesting Party seeks to resolve;

(d) the goods or materials that are subject to the verification; and

(e) the period within which the verification letter must be answered or the verification questionnaire must be completed and returned.

The information requested in the verification letter or questionnaire will be limited to information and documentation to determine whether the good is originating. It is a consolidation of information that the importer who completed the CUSMA certificate of origin, exporter, producer, or supplier would use to determine whether the goods qualify for preferential tariff treatment under the CUSMA.

7. The period mentioned in paragraph 6(e) shall not be less than 30 days beginning on the date on which the verification letter or questionnaire was received.

8. Where a response to a verification letter or questionnaire or letter has not been received, within the specified period of time, from the exporter, producer, or importer, instructions under paragraphs 26 through 30 of this appendix must be followed.

9. Where the producer or supplier of a material fails to respond to a verification letter or questionnaire, the origin of the material shall be considered unknown and therefore non-originating.

10. If it is found that the information provided in the verification letter or questionnaire is insufficient to determine whether the good is an originating good, the customs administration can request additional information, by corresponding with the exporter, producer, or importer of a good or the producer or supplier of a material, or undertake a verification visit.

11. Where the customs administration is able to determine whether the goods qualify for preferential tariff treatment from the information provided, instructions provided under paragraphs 26 through 31 of this appendix must be followed.

Other Methods of Communication

12. The customs administration may obtain information regarding the origin of the goods by any other method of communication (e.g., telephone) from the exporter, producer, or importer of a good or a producer or supplier of a material. Should any information obtained result in denial of preferential tariff treatment, that information must be confirmed in writing.

13. Communication to the exporter, producer, supplier of material, or the customs administration of the Party of export must be sent by any means that can produce any confirmation of receipt. Any means that can produce any confirmation of receipt includes:

- (a) electronic mail;
- (b) international courier services;
- (c) certified or registered mail services; or
- (d) electronic message sent within the Party's electronic system.

Verification Visits

14. Verification visits are performed at the persons' premises to verify that the goods meet the rules of origin in accordance with the CUSMA.

Conditions for Conducting a Verification Visit

15. Prior to a verification visit from the customs administration at the persons' premises, the customs administration must send a written notification of the intent to conduct a verification visit by any method that produces a receipt to:

- (a) the customs administration of the country where the verification visit will take place;
- (b) the person whose premises are the subject of the verification visit; and
- (c) where requested by the customs administration of the exporting party, that party's embassy located in Canada.

16. The notification referred to in paragraph 15 must specify:

- (a) the identity of the customs administration issuing the notification;
- (b) the name of the person whose premises are to be visited;
- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the verification visit, including a description of the goods and/or materials that are subject to the verification;
- (e) the names and titles of the officers conducting the verification visit; and
- (f) the legal authority for the verification visit.

17. The person whose premises is subject to the verification must give written consent for the customs administration to conduct the verification visit within 30 days of receiving the notice.

18. Where the producer or supplier of a material does not consent to a verification visit or denies access to the books and records, the origin of the material shall be considered unknown and therefore non-originating in determining whether the good is originating.

Postponement of a Verification Visit

19. The customs administration of the country being visited may postpone the verification visit, by sending a written request to the officer who sent the notice. This request must be sent within 15 days of receipt of the notice. The postponement period must not exceed 60 days beginning on the day on which the notice is received, unless a longer period is agreed to by the customs administrations of the importing and exporting countries. The goods will not be denied preferential tariff treatment on the basis that the verification visit has been postponed.

20. A person who receives written notification, as described in paragraphs 15 and 16 above, may, on a single occasion, within 15 days after the day on which the notice is received, request a postponement of the verification visit. The request must be made in writing to the officer who sent the notice and must not exceed 30 days beginning on the day on which the notice is received.

Observers

21. An exporter, producer or supplier subject to a verification visit is permitted to have two observers present during the verification visit. Each person designated as an observer must be identified to the customs official conducting the verification visit at any time prior to or at the commencement of their role as an observer. The observers are not to participate, only to observe. This provision does not preclude the exporter, producer or supplier from having persons available to participate during verification.

22. Should an exporter, producer, or supplier fail to designate observers, this does not result in the postponement of the visit.

Generally Accepted Accounting Principles

23. The customs administration may, when conducting an origin verification to which Generally Accepted Accounting Principles (GAAP) or otherwise accepted inventory management method may be relevant, apply and accept the GAAP as provided by Article 4.13 of the Agreement or otherwise accepted inventory management method as provided by Schedules VII and VIII of the *CUSMA Rules of Origin Regulations*.

24. Where the customs administration finds during a verification that an importer, exporter, or producer has failed to maintain books and records in accordance with the GAAP or otherwise accepted inventory management method provided in Article 4.13 of the CUSMA and Schedule 8 of the *CUSMA Rules of Origin Regulations*, the officer shall provide written notice to that producer, importer, or exporter stating that they have a minimum of 30 days from receipt of the written notice to record those costs in accordance with Article 4.13 of the CUSMA and Schedule 8 of the *CUSMA Rules of Origin Regulations*.

Denial or Withdrawal of Preferential Tariff Treatment

25. The customs administration conducting the verification may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification where:

- (a) the importer who completed and signed the certificate of origin, the exporter or producer fails to respond to a verification letter or complete the verification questionnaire within 30 days of confirmed receipt;
- (b) the person whose premises is subject to a verification does not provide written consent to a verification visit within 30 days after the day on which the notice of visit is received or, for such longer period if a postponement of the verification visit has been requested, within the time limitations specified;
- (c) the importer who completed and signed the certificate of origin, the exporter or producer fails to maintain records in accordance with the applicable laws of the country in which the verification of origin is conducted or provide sufficiently detailed information;
- (d) the importer who completed and signed the certificate of origin, the exporter or producer, denies access to those records; or
- (e) the origin of the good is changed because a material used in the production of the good is determined to be non-originating as set out in paragraphs 9 and 18.

In such cases, the customs administration will send a written statement (as outlined below) with a notice of intent to deny to the person who signed the Certificate of Origin.

Written Statement

26. Prior to issuing a written determination, if the importing Party intends to deny preferential tariff treatment, the importing Party shall inform the importer and any exporter or producer who is subject to the verification and provided information during the verification, of the preliminary results of the verification.

27. The customs administration conducting the verification will provide the exporter, producer, or importer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and legal basis on which the determination was made. If the importer is not the certifier, the importing Party shall also provide that written statement to the importer.

28. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be included. The notice of intent to deny preferential tariff treatment must be sent to the exporter, producer, or importer who is the subject of the verification and who provided information to substantiate the origin of the good. The notice will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified.

29. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

30. If information is brought forward within 30 days of the date of receipt of the notice, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

31. Where a verification of a producer or supplier of a material has been conducted, the customs administration conducting the verification will inform the producer or supplier by letter whether or not the specific material under review is an originating material. This letter is sent as an informal courtesy and not as a result of obligations under any legislation or regulation.

Pattern of Conduct by an Exporter, Importer or Producer Regarding False or Unsupported Origin Certification

32. Pattern of conduct is established where it has been determined that the exporter, importer or producer has made false or unsupported representations that goods imported in a free trade country qualify for preferential tariff treatment and has resulted in not less than two negative written statements with respect to identical goods, as a result of not less than two verifications of not less than two importations. Article 5.1 of CUSMA defines "identical goods" as:

... goods that are the same in all respects, including physical characteristics, quality, and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those goods under Chapter 4 (Rules of Origin) or Chapter 6 (Textile and Apparel Goods).

33. Once a pattern of conduct is established, the customs administration may withhold preferential tariff treatment on identical goods until the importer, exporter, or producer establishes compliance.

34. If a pattern of conduct is established, the verification process does not need to be conducted on future imports of identical goods. However, the importer must be notified each time the goods are denied preferential tariff treatment. The exporter and/or producer must be notified that the goods have been denied preferential tariff treatment if they have provided the importer with a Certificate of Origin after a pattern of conduct has been established.

Review and Appeal

35. Where the origin of the goods has been re-determined and preferential tariff treatment has been denied or withdrawn, the CBSA shall notify the exporter, importer or producer. A decision to deny preferential tariff treatment is appealable by the importer, regardless of whether or not it was the importer who signed the Certificate of Origin, and the exporter or producer who signed the Certificate of Origin.

36. Information concerning appeals is contained in Memorandum D11-6-7, Request under Section 60 of the *Customs Act* for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency.

Evidence of Fraud

37. Should evidence of fraud or misrepresentation be uncovered regarding an exporter or producer, the customs administration will turn such evidence over to the customs administration of the exporting country and ask them to continue the investigation and, if warranted, undertake appropriate prosecution under the laws of the exporter's country.

38. Similarly, fraudulent certification by a Canadian exporter, importer or producer is an offence in Canada, subject to prosecution under the laws of Canada.

Appendix J - Guidelines for CUSMA Verifications Visits of Textile and Apparel Goods

Scope of Verification Visit

1. The purpose of a verification visit is to determine whether textile or apparel goods imported into a free trade country are entitled to the preferential rate of duty accorded under the free trade agreement or whether a customs offence may have occurred or is occurring.
2. For the purposes of this Appendix, a textile or apparel good means a textile or apparel good classified in HS subheading 4202.12, 4202.22, 4202.32, or 4202.92 (luggage, handbags and similar articles with an outer surface of textile materials), heading 50.04 through 50.07, 51.04 through 51.13, 52.04 through 52.12, 53.03 through 53.11, Chapter 54 through 63, heading 66.01 (umbrellas) or heading 70.19 (yarns and fabrics of glass fiber), subheading 9404.90 (articles of bedding and similar furnishing), or heading 96.19 (babies diapers and other sanitary textile articles).

Manner of Conducting a Verification of Origin

3. A verification visit may be conducted by way of the procedures set out in Appendix I or by:
 - (a) visits to the persons' premises as per the procedures set out in this Appendix; or
 - (b) such other procedures as the Parties may agree in accordance with the procedures set out in this Appendix.

Conditions for Conducting a Verification Visit

4. Prior to a verification visit at the person's premises:
 - (a) a request for a verification visit shall be sent from the importing Party to the customs administration where the exporter or producer is located no later than 20 days before the visit regarding:
 - a. the date(s) of the proposed verification;
 - b. the number and general location of exporters and producers to be visited in appropriate detail to facilitate any assistance by the customs administration where the exporter or producer is located, but does not need to specify the names of exporters or producers to be visited;
 - c. whether assistance from the customs administration where the exporter or producer is located will be requested and what type;
 - d. if relevant, the customs offences being verified, including relevant factual information available at the time of the notification related to the specific offences, which may include historical information; and
 - e. whether the importer claimed preferential tariff treatment.
 - (b) consent to have access to the relevant records or facilities must be obtained from the person whose premises are subject to the verification in accordance with paragraphs 6 and 12.

Note: After receiving this request, the customs administration where the exporter or producer is located must acknowledge receipt of the request of a proposed site visit and may request information from the importing Party regarding logistical arrangements or provision of requested assistance in order to plan for the visit.

5. If an importing Party seeks to conduct a visit and did not provide the names of the exporters or producers to be visited 20 days prior to the visit, it must provide the customs administration where the exporter or producer is located with this list in a timely manner and prior to the date of the first visit to an exporter or producer.

6. The person whose premises are subject to the verification must give consent for the customs administration to conduct the verification visit either prior to the site visit if this would not undermine the effectiveness of the site visit or no later than the time of the visit.

7. At the time the consent is requested, the importing Party must inform the person whose premises are subject to the verification of:

- a. the legal authority for the visit;
- b. the specific purpose of the visit; and
- c. the names and titles of the officials performing the visit.

8. The importing Party, on completion of the visit must:

(a) inform the customs administration where the exporter or producer is located of its preliminary findings if requested by that customs administration;

(b) provide the customs administration where the exporter or producer is located with a written report of the results of the visit, including any findings, upon written request by that customs administration, no later than 90 days after the request;

(c) inform the exporter or producer that they may request a written report of the results of the verification visit. and if requested, provide that exporter or producer with a written report of the results of the visit, including any findings.

Note: Communication must be limited to the importing Party and the customs administration where the exporter or producer is located.

Assistance in Conducting a Verification Visit

9. Officials of the customs administration where the exporter or producer is located may accompany the officials of the importing Party during the site visit.

10. The officials of the customs administration where the exporter or producer is located may, in accordance with its laws and regulations, assist with the verification on request of the importing Party or on its own initiative assist with the verification and provide to the extent possible, information it has that is relevant to conduct the site visit.

Postponement of Verification Visit

11. If the person identified in paragraph 6 is not able to receive the importing Party at that time, the site visit will be conducted on the following day unless the importing Party agrees otherwise or the exporter or producer of textile or apparel goods, or the person having the capacity to consent on behalf of the exporter or producer, substantiates a valid reason acceptable to the importing Party as to why the site visit cannot occur.

12. If the person identified in paragraph 6 does not have a valid reason acceptable to the importing Party that the site visit cannot take place on the following working day, the importing Party may deem permission for the site visit or access to the records or facilities to be denied.

13. If the person being requested to consent to a visit in accordance with paragraphs 4 denies permission or access request under paragraph 6, the visit will not occur. The importing Party shall give consideration to any reasonable alternative dates proposed, taking into account the availability of relevant employees or facilities of the person visited.

Denial or Withdrawal of Preferential Tariff Treatment

14. The customs administration conducting the verification visit may deny or withdraw the preferential tariff treatment from the goods that are the subject of verification:

(a) for a reason listed in the “Denial or Withdrawal of Preferential Tariff Treatment” Section of Appendix I;

(b) if, pursuant to a verification visit under this Appendix it has not received sufficient information to determine that the textile or apparel good qualifies as originating;

(c) if, pursuant to a request for a verification visit under this Appendix, access or permission for the visit is denied, the importing Party is prevented from completing the visit, or the exporter, producer, or person having the capacity to consent on behalf of the exporter or producer does not provide access to the relevant records or facilities during a visit.

15. The importing Party shall not deny a claim for preferential tariff treatment solely on the grounds that the Party where the exporter or producer is located did not provide requested assistance or information.

Written Statement

16. Prior to issuing a written determination, if an importing Party conducts a site visit under paragraph 3(a) of this Appendix and, as a result, intends to deny preferential tariff treatment to a textile or apparel good, it shall, inform the importer and any exporter or producer that provided information directly to the importing Party of the preliminary results of the verification in writing.

17. The customs administration conducting the verification will provide the importer, exporter, or producer with a written statement on whether the goods qualify for preferential tariff treatment, detailing the findings and the legal basis on which the determination was made.

18. Where the written statement includes a determination that the goods are non-originating, a notice of intent to deny preferential tariff treatment must also be provided to the exporter or producer that provided information directly to the importing Party. It will identify a time period in which further information can be provided and will include the date after which preferential tariff treatment will be withdrawn for the goods verified. If advance notice for a site visit was not given, the importer, exporter or producer may request an additional 30 days to provide additional information to support the claim for preferential tariff treatment.

19. If information is brought forward, the information will be reviewed to determine if the goods qualify for preferential tariff treatment.

20. Written statements and notices of intent to deny must be sent by any method that produces confirmation of receipt.

Note: For Pattern of Conduct by an Importer, Exporter, or Producer Regarding False or Unsupported Origin Certification, Review and Appeal, and Evidence of Fraud, see Appendix I Guidelines for CUSMA Verifications

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	
Legislative References	<u><i>Customs Act</i></u> <u>NAFTA and CCFTA Verification of Origin Regulations</u> <u>CIFTA Verification of Origin Regulations</u> <u>CCRFTA Verification of Origin Regulations</u> <u>CPFTA Verification of Origin Regulations</u> <u>CCOFTA Verification of Origin Regulations</u> <u>CJFTA Verification of Origin Regulations</u> <u>CPAFTA Verification of Origin Regulations</u>

<p>Other References</p>	<p><u>North American Free Trade Agreement (NAFTA)</u></p> <p><u>Canada-Chile Free Trade Agreement</u></p> <p><u>Canada-Israel Free Trade Agreement</u></p> <p><u>Canada-Costa Rica Free Trade Agreement</u></p> <p><u>Canada-Peru Free Trade Agreement</u></p> <p><u>Canada-Colombia Free Trade Agreement</u></p> <p><u>Canada-Jordan Free Trade Agreement</u></p> <p><u>Canada-Panama Free Trade Agreement</u></p> <p><u>Canada-Honduras Free Trade Agreement</u></p> <p><u>Canada-Korea Free Trade Agreement</u></p> <p><u>Comprehensive and Progress Trans-Pacific Partnership Agreement</u></p> <p><u>Canada-United States-Mexico Agreement</u></p> <p><u>Customs Notice 14-023</u></p> <p><u>Customs Notice 14-033</u></p> <p><u>Customs Notice 18-27</u></p> <p><u>Customs Notice 20-22</u></p> <p><u>D11-4-2, D11-4-14, D11-4-18, D11-4-19, D11-4-21, D11-4-24, D11-4-26, D11-4-29, D11-4-30, D11-4-31, D11-4-33, D11-4-34, D11-4-35, D11-6-7, D17-1-21 and D20-1-5</u></p>
<p>Superseded Memorandum D</p>	<p>D11-4-20 dated August 7, 2018</p>