

# Memorandum D18-3-2: Excise Duty Framework for Vaping Products

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This memorandum provides information concerning the administration and enforcement of the excise duty framework for vaping products under the *Excise Act, 2001* and under the *Customs Act* (the act).

## Plain language summary

**Target audience:** Manufacturers, importers and sellers of vaping products in Canada.

**Key content:** Licensing requirements for vaping products; how to order and use vaping excise stamps, and when this is required; importation of unstamped vaping products; vaping duty; GST/HST and additional vaping duty for stamped vaping products in respect of the specified vaping provinces and territories; reporting and accounting; return and sale of vaping products.

**Keywords:** Vaping product; vaping duty; vaping excise stamp; vaping product licence.

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## Updates made to this D-memo

This memorandum has been amended to update the Accounting for commercial goods section (paragraph 91)

## Definitions

The following terms, defined under the [Excise Act, 2001](#) or related regulations, are used in this memorandum.

For more definitions of the terms found in this memorandum, refer to section 2 of the *Excise Act, 2001* and to subsection 2(1) of the [Customs Act](#).

### Accredited representative

Means a person who is entitled under the [Foreign Missions and International Organizations Act](#) to the tax exemptions specified in Article 34 of the Convention set out in Schedule I to that Act or in Article 49 of the Convention set out in Schedule II to that Act.

### Additional vaping duty

Means a duty imposed under section 158.58 of the *Excise Act, 2001* in respect of a specified vaping province. This is in addition to vaping duty imposed under section 158.57.

### Case

Means a corrugated cardboard box in which packages or cartons of tobacco products, or packages of vaping products, are packed primarily for the purpose of transport and protection against damage.

### Container

In respect of a vaping product, a wrapper, package, carton, box, crate, bottle, vial or other container that contains the vaping product.

### Immediate container

In respect of a vaping substance, means the container that is in direct contact with the vaping substance. It does not include a vaping device.

### Manufacture

Includes, in respect of a vaping product, any step in the production of the vaping product, including inserting a vaping substance into a vaping device or packaging the vaping product.

### Packaged

Means, in respect of a vaping product, packaged in a prescribed package.

### Person

Means an individual, a partnership, a corporation, a trust, the estate of a deceased individual, a government or a body that is a society, a union, a club, an association, a commission or another organization of any kind.

### Prescribed package

Means, in respect of a vaping product, packaged in the smallest package—including any outer wrapper, package, box or other container—in which it is sold to the consumer.

### Specified vaping provinces

The following jurisdictions have entered into coordinated vaping taxation agreements with the federal government and are therefore specified vaping provinces under the *Excise Duties and Vaping Products Regulations*:

- Ontario
- Quebec
- The Northwest Territories and
- Nunavut
- Alberta
- Manitoba
- New Brunswick
- Prince Edward Island and

- Yukon

### **Stamped**

Means, in respect of a vaping product, that a vaping excise stamp, and all prescribed information in a prescribed format in respect of the vaping product, are stamped, impressed, printed or marked on, indented into or affixed to the vaping product or its container in the prescribed manner to indicate that duty has been paid on the vaping product.

### **Unit**

A unit of vaping products consists of 120 millilitres of vaping substance in liquid form, or 120 grams of vaping substance in solid form, within any combination of not more than 12 vaping devices and immediate containers, as per subsection 5.1(2) of the [Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations](#).

### **Vaping device**

Means property (other than prescribed property) that is:

- a device that produces emissions in the form of an aerosol and is intended to be brought to the mouth for inhalation of the aerosol
- a vaping pod or another part that may be used with a device referred to in paragraph (a) or
- a prescribed property

### **Vaping duty**

Means a duty imposed under section 158.57 of the *Excise Act, 2001*.

### **Vaping excise stamp**

Means a stamp that is issued by the Minister of National Revenue under subsection 158.36(1) of the *Excise Act, 2001*, and that has not been cancelled under section 158.4 of that Act.

### **Vaping product**

Means:

- a vaping substance that is not contained within a vaping device or
- a vaping device that contains a vaping substance

It does not include a cannabis product or a tobacco product.

### **Vaping product drug**

Means a vaping product (other than a prescribed vaping product) that is:

- a drug that has been assigned a drug identification number under the *Food and Drug Regulations* or
- a prescribed vaping product.

### **Vaping product licensee**

Means a person that holds a vaping product licence issued under section 14 of the *Excise Act, 2001*.

### **Vaping product marking**

Means prescribed information that is required under the *Excise Act, 2001* to be printed on, or affixed to, a container of vaping products that are not required under this Act to be stamped.

### **Vaping substance**

Means:

- a substance or mixture of substances, whether or not it contains nicotine, that is produced to be used, or sold for use, with a vaping device to produce emissions in the form of an aerosol or
- a prescribed substance, material or thing

It does not include a prescribed substance, material or thing.

## **Guidelines**

### **Dates of effect**

1. The excise duty framework for vaping products came into effect on **October 1, 2022**, and the increase of the vaping duty rate came into effect on **July 1, 2024**.
2. The imposition of an additional vaping duty came into effect on **July 1, 2024**. It applies on any stamped vaping product in respect of the specified vaping provinces and territories of Ontario, Quebec, The Northwest

Territories and Nunavut, that is stamped and that is imported or released under the *Customs Act* on July 1, 2024 or after that day. The presence of the province-specific stamp indicates that the additional vaping duty in respect of a specified vaping province has been paid.

Note: All products stamped with a province-specific stamp prior to July 1, 2024, are subject to the additional vaping duty.

3. The jurisdictions of Alberta, Manitoba, New Brunswick, Yukon and Prince Edward Island have entered into coordinated vaping taxation agreements. Effective **January 1, 2025**, any packaged vaping products that are imported to be entered into the market of these jurisdictions must be stamped with a province-specific stamp and will be subject to additional vaping duty, unless they are imported by a vaping product licensee for stamping in Canada. Note that all products stamped with a province-specific stamp prior to January 1, 2025, are subject to the additional vaping duty.

### **Transitional measures: Additional vaping duty**

4. A three-month transition period is provided during which vaping products that bear the peach-coloured Canada vaping excise stamp (CAN: jurisdiction indicator) that are imported or released under the *Customs Act* or stamped in Canada before January 1, 2025, may be disposed of, sold, offered for sale, purchased and possessed in a specified vaping province until March 31, 2025. Note that all products stamped with a province-specific stamp prior to January 1, 2025, are subject to the additional vaping duty. For more information, refer to [Excise Duty Notice EDN95: Coordinated Vaping Duty System](#).

### **Currencies**

5. All amounts expressed in this memorandum are in Canadian dollars.

### **Health Canada: Compliance**

6. Manufacturers, importers and sellers of vaping products must also comply with the [Tobacco and Vaping Products Act](#) and the [Canada Consumer Product Safety Act](#). For more information, refer to [Vaping compliance and enforcement](#).

### **Scope of the excise duty framework for vaping products**

7. The excise duty framework for vaping products applies on vaping products imported into or manufactured in Canada and intended for the Canadian duty-paid market, whether or not they contain nicotine.

8. Vaping products that do not meet the *Excise Act, 2001* definition of a vaping product are not subject to the excise duty framework. For example, vaping substances that contain tobacco or any cannabis and, reusable vaping devices (e.g., vaping pens) that do not contain a vaping substance, do not meet the definition of a vaping product, and as such are not subject to the excise duty framework.

9. A person who manufactures vaping products in Canada or who imports packaged vaping products for stamping, with the exception of manufacturing for their personal use, must apply to the Canada Revenue Agency (CRA) for a vaping product licence. Such persons must meet specific eligibility criteria to obtain a vaping product licence under the *Excise Act, 2001*.

10. A person who only imports stamped packaged vaping products into the Canadian duty-paid market, must apply to the CRA to be a vaping prescribed person in order to obtain vaping excise stamps for their products.

11. Vaping product licensees and vaping prescribed persons are also required to register with the CRA for the vaping stamping regime. All vaping products entering the Canadian duty-paid market are required to be packaged and stamped with a vaping excise stamp.

12. The governments of Alberta, Manitoba, New Brunswick, Yukon, and Prince Edward Island were added to the governments of Ontario, Quebec, the Northwest Territories and Nunavut to the coordinated framework, under which an additional vaping duty equal to the federal vaping duty rate is applied to the vaping products that are for consumption, use or sale to consumers in the specified vaping province. For example, the additional vaping duty would be applicable if the vaping products are imported in Saskatchewan but are destined for sale to consumers in Ontario (as indicated by Ontario vaping excise stamp affixed to the package).

13. Only the vaping duty will apply for vaping products that are destined for sale in a non-specified vaping province, while the additional vaping duty will apply in addition to the vaping duty for vaping products that are destined for sale in a specified vaping province.

14. A peach-coloured Canada vaping excise stamp is required for vaping products that are destined for sale in a non-specified vaping province, while a province-specific vaping excise stamp is required when the vaping products are destined for sale in a specified vaping province.

15. Packaged but unstamped vaping products could be imported by a vaping product licensee for the purposes of stamping in Canada.

16. A flow chart representing how the excise duty framework applies to the importation of vaping products is found in [Appendix C: Excise duty framework for the importation of vaping products](#) of this memorandum.

## Licensing requirements

### Vaping product licence

17. A person must apply to the CRA for a vaping product licence under paragraph 14(1)(f) of the *Excise Act, 2001* if they are manufacturing vaping products in Canada or importing packaged vaping products for stamping. This licence also allows a vaping product licensee to import non-duty-paid vaping products into Canada, for further manufacturing, stamping, re-working or destruction.

18. Upon meeting the eligibility criteria, the CRA will send a letter to the applicant to confirm their CRA vaping product licence approval and give them their new excise duty program account number.

19. For more information, refer to [Excise Duty Notice EDN79: Obtaining and Renewing a Vaping Product Licence](#).

### Vaping product licence: Exceptions

20. A person does not have to apply for a vaping product licence under the *Excise Act, 2001* if they:

- are not manufacturing vaping products in Canada
- are not importing packaged vaping products for stamping
- are importing vaping products only for their personal use in quantities that do not exceed the prescribed limit of 5 units, as per subsection 5.01 of the [Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations](#)
- are only importing stamped packaged vaping products into Canada (i.e., they do not manufacture vaping products in Canada). In such case, the person must apply to the CRA to be a vaping prescribed person in order to obtain vaping excise stamps (see below)

21. A vaping product licence is not required if a person is strictly handling or selling stamped products. Being a vaping prescribed person may be required.

22. A vaping product licence is not required if a person is strictly transporting vaping products on behalf of a vaping product licensee, an excise warehouse licensee or accredited representative, in accordance with the *Excise Act, 2001*.

### Excise warehouse licence

23. An importer who imports vaping products in Canada for export or for sale to an accredited representative (i.e., vaping products not intended for the Canadian duty-paid market), also requires an excise warehouse licence. Under the *Excise Act, 2001*, vaping products destined for export or for sale to an accredited representative that are packaged but not stamped, must be marked with prescribed markings and entered into the licensee's excise warehouse. For more information, refer to *Excise Duty Notice EDN79: Obtaining and Renewing a Vaping Product Licence*.

### Vaping prescribed person

24. An importer who is only importing stamped packaged vaping products into Canada is required to become a vaping prescribed person with the CRA in order to obtain vaping excise stamps. Upon meeting the eligibility criteria, the CRA will send a letter to the person to confirm they meet the conditions to be a vaping prescribed person and give them their new excise duty program account number.

25. For more information, refer to [Excise Duty Notice EDN81: Becoming a Vaping Prescribed Person](#).

### Vaping prescribed person: Exception

26. Under paragraph 158.47(2)(c) of the *Excise Act, 2001* and subsection 5.01 of the *Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations*, a person who imports vaping products for personal use in quantities that do not exceed the prescribed limit of 5 units, is not required to be a vaping prescribed person.

### Carriers

27. As per section 1.4 of the [Regulations Respecting the Possession of Tobacco, Cannabis or Vaping Products That Are Not Stamped](#), a person may possess a vaping product that is not stamped if the person is authorized by an officer under section 19 of the *Customs Act* to transport vaping products that have been reported under section 12 of that Act and is acting in accordance with that authorization. The goods may have a First Port of Arrival (FPOA) release or move in bond to a sufferance warehouse that is authorized to accept vaping products. For more information, refer to the *D memoranda series: D3—Transportation* and to the *Regulations Respecting the Possession of Tobacco, Cannabis or Vaping Products That Are Not Stamped*.

## Registration for the vaping stamping regime

28. Under the *Excise Act, 2001*, the following persons are required to register for the vaping stamping regime in order to purchase vaping excise stamps:

- a vaping product licensee who manufactures vaping products in Canada or who imports vaping products for stamping in Canada
- a vaping prescribed person importing stamped, packaged vaping products into the Canadian duty-paid market

29. A person can register for the vaping stamping regime at the same time as they apply for a vaping product license or as a vaping prescribed person under the *Excise Act, 2001*. The CRA will send the applicant a letter to confirm their registration and provide instructions on how to purchase stamps.

30. For more information, refer to [Excise Duty Notice EDN80: Overview of Vaping Excise Stamps](#).

## Registration for the vaping stamping regime: Exceptions

31. Under the *Excise Act, 2001*, the following persons are not required to register for the vaping stamping regime:

- a vaping product licensee who packages only vaping products for export outside Canada
- a vaping product licensee who packages only vaping product drugs that have been assigned a drug identification number under the [Food and Drug Regulations](#)
- a vaping product licensee who packages only vaping products to be sold to an accredited representative for their official or personal use
- a vaping product licensee who does not package vaping products in the smallest package in which they are sold to the consumer
- a person who imports vaping products for personal use in quantities that do not exceed the prescribed limit of 5 units, as per subsection 5.01 of the *Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations*

32. For more information, refer to *Excise Duty Notice EDN80: Overview of Vaping Excise Stamps*.

## Vaping excise stamps: Order process

33. An importer must be approved by the CRA to purchase vaping stamps (peach-coloured Canada vaping excise stamps and province-specific vaping excise stamps). For more information, refer to *Excise Duty Notice EDN80: Overview of Vaping Excise Stamps*.

## Stamping of vaping products

34. All packaged vaping products entering the Canadian duty-paid market must bear a vaping excise stamp, unless one of the exceptions mentioned in [Stamping of vaping products: Exceptions](#) applies.

35. If the package is intended for sale in a non-specified vaping province, it must be stamped with a peach-coloured Canada vaping excise stamp. Effective July 1, 2024, if the packaged vaping product is destined for the duty-paid market of a specified vaping province, it must be stamped with a province-specific vaping excise stamp. For more information, refer to *Excise Duty Notice EDN95: Coordinated Vaping Duty System*.

36. Vaping products imported and intended to be stored in a particular specified vaping province for further distribution in another specified province can bear the province-specific vaping excise stamp of that other province.

37. As per section 158.47 of the *Excise Act, 2001*, vaping products that are being imported into Canada and entering the Canadian duty-paid market must be packaged and have a vaping excise stamp affixed to the products before they can be released under the *Customs Act* unless they are being imported by a vaping product licensee for further manufacturing or stamping by the licensee.

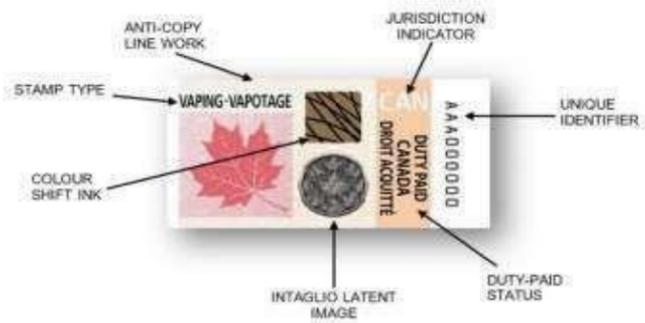
38. As per section 158.51 of the *Excise Act, 2001*, Non-Compliant Imports, if a vaping product licensee or a vaping prescribed person imports a vaping product intended for the Canadian duty-paid market, that is packaged and not stamped, when it is being reported to the CBSA, it shall be placed in a sufferance warehouse for the purpose of being stamped by the importer or owner of the imported vaping product.

39. As per section 158.511 of the *Excise Act, 2001*, if a vaping product licensee imports a packaged vaping product for stamping, the vaping product licensee shall, immediately after the vaping product is released under the *Customs Act*, deliver the vaping product to its premises for stamping.

40. Section 4.2 of the *Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations* requires that the stamp be affixed:

- in a conspicuous place on the package
- in a manner that seals the package
- in a manner that the stamp remains affixed to the package after the package is opened
- in a manner that does not interfere with the stamp's security features
- in a manner that does not obstruct any information required by or under an *Act of Parliament* to appear on that package

41. Vaping stamp example—peach-coloured Canada vaping excise stamp:



#### Text description:

Stamp components (clockwise from top left):

- Stamp type: Vaping/Vapotage
- Anti-copy line work
- Jurisdiction indicator
- Unique Identifier
- Duty-paid status: Duty paid – Canada – Droit acquitté
- Intaglio latent image
- Colour shift ink

42. For more information, refer to *Excise Duty Notice EDN80: Overview of Vaping Excise Stamps*.

### Stamping of vaping products: Exceptions

43. The following vaping products are not required to bear a vaping excise stamp:

- unstamped vaping products that are imported by a vaping product licensee for further manufacturing or stamping by the licensee. In this situation, the vaping product would be required to be stamped by the licensee before entering the Canadian duty-paid market. Vaping products must be stamped before the end of the second calendar month following the month in which the licensee packages the vaping product or that the product has been released by the CBSA
- vaping products entered into an excise warehouse to be exported or sold to an accredited representative for their official or personal use, not destined for the Canadian duty-paid market
- vaping products that are vaping product drugs that are assigned a drug identification number under the *Food and Drug Regulations*
- vaping products that are re-imported by a vaping product licensee for re-work or destruction in a manner approved by the CRA
- vaping products that are imported by an individual for personal use within prescribed limits as per subsection 5.01 of the *Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations* (the limit is 5 units)

### Importation of unstamped vaping products: Not destined for the Canadian duty-paid market

#### Excise warehouse

44. When imported packaged vaping products not destined for the Canadian duty-paid market are not stamped (intended for export or for sale to an accredited representative) they must immediately be marked as per section 8 and section 9 of the *Stamping and Marking of Tobacco, Cannabis, and Vaping Product Regulations*, and entered into an excise warehouse.

45. Only imported packaged, unstamped and marked vaping products can enter an excise warehouse and, exclusively for export, for sale to accredited representatives, or to be delivered to another excise warehouse (not destined for the Canadian duty-paid market).

46. An excise warehouse does not allow for the deferral of vaping duty and imported vaping products cannot be removed from an excise warehouse for re-work or destruction.

47. The excise warehouse licence number must be indicated on the customs reporting documentation at the time the imported goods are reported to the CBSA to obtain release under the *Customs Act*. These goods must be entered into the excise warehouse immediately after release from the CBSA.

48. The excise warehouse licence number must be input in the Special Authority Permit field of the Commercial Accounting Declaration (CAD). The required excise warehouse licence format that must be submitted is either 99-XXX-99999 or 99-XX-99999. All digits must be input in the Special Authority Permit field of the Commercial Accounting Declaration (CAD). For example, if the licence is 99-EWL-1 then the number to go in the Special Authority Permit field is 99-EWL-00001.

#### Customs bonded warehouse

49. Only imported packaged, unstamped and marked vaping products can enter a customs bonded warehouse and, exclusively for export, or for sale to accredited representatives. For more information, refer to [Memorandum D7-4- 4: Customs Bonded Warehouses](#).

## **Importation of unstamped vaping products or bearing a stamp not corresponding to the declaration: Destined for the Canadian duty-paid market**

50. When imported packaged vaping products destined for sale in a non-specified province are not stamped at the time of report to the CBSA, the products will either be:

- exported
- abandoned to the Crown under section 36 of the *Customs Act*
- entered into a customs sufferance warehouse where the vaping product licensee or the vaping prescribed person will stamp the vaping products with a peach-coloured Canada vaping excise stamp
- entered into the premises of a vaping product licensee where the licensee will stamp the vaping products with a peach-coloured Canada vaping excise stamp

51. When imported packaged vaping products destined for sale in a specified province are not stamped at the time of report to the CBSA, the products will either be:

- exported
- abandoned to the Crown under section 36 of the *Customs Act*
- entered into a customs sufferance warehouse where the vaping product licensee or the vaping prescribed person will stamp the vaping products with a province-specific vaping excise stamp
- entered into the premises of a vaping product licensee where the licensee will stamp the vaping products with a province-specific vaping excise stamp

52. When imported, stamped, packaged vaping products destined for sale in a specified province do not bear the vaping excise stamp for that specified vaping province at the time of report to the CBSA, they cannot be entered into a customs sufferance warehouse for stamping with the vaping excise stamp corresponding to the specified province declared to the CBSA on import documents. The products will either be:

- exported
- abandoned to the Crown under section 36 of the *Customs Act*
- accounted for according to the vaping excise stamp that is affixed to the products when they are imported as per paragraphs 61 and 62 of this memorandum, and shall be sold in a province corresponding to that stamp

53. The vaping duty and the additional vaping duty (if applicable) have to be paid to the CBSA when the vaping products are stamped in a sufferance warehouse, and have to be paid to the CRA if they are stamped in Canada in the premises of a vaping product licensee.

54. If a vaping product licensee imports packaged vaping products for stamping but does not stamp the vaping products before the end of the particular calendar month that is the second calendar month following the calendar month in which the vaping products are released under by the CBSA, then the vaping product licensee must enter the vaping products into its excise warehouse before the end of the particular calendar month.

55. Importers can apply to the CBSA to obtain their own customs sufferance warehouse licence. Applicants must meet all regulatory requirements set out in the [Customs Sufferance Warehouse Regulations](#) in order to be issued a customs sufferance warehouse licence. However, a customs sufferance warehouse licence will not be issued to applicants seeking to only stamp vaping products in the warehouse facility.

56. Unstamped packaged vaping products can also be delivered to an existing customs sufferance warehouse in accordance with mode of transport. For more information, refer to [Memorandum D4-1-4: Customs Sufferance Warehouses](#), at the link found in the Related links section of this memorandum.

57. To enter the sufferance warehouse where goods are stored, written authorization from the CBSA or the attendance of a CBSA officer is required for any person other than an employee of the sufferance warehouse or an employee of a carrier engaged in the delivery of goods to or the removal of goods from the sufferance warehouse. For more information, refer to [Memorandum D4-1-4: Customs Sufferance Warehouses](#).

58. Vaping products constitute a prescribed class of goods that are forfeited if they are not removed from a customs sufferance warehouse within 14 days after they were reported to the CBSA under section 12 of the *Customs Act*. For more information, refer to the *Customs Sufferance Warehouses Regulations* and to [Memorandum D4-1-7: Extension of Time Limits for the Storage of Goods](#).

59. Special services charges will be applied when an officer is asked to verify that packages in a customs sufferance warehouse have been stamped in accordance with the *Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations*. For more information, refer to [Memorandum D1-2-1: Special Services](#).

## **Vaping duty and additional vaping duty: Relieved or not payable**

60. There are limited circumstances where the vaping duty is relieved or not payable with respect to vaping

products. The *Excise Act, 2001* provides exceptions where the vaping duty is relieved or not payable on importation of vaping products. Such exceptions are as follows:

### **Vaping products imported by a vaping product licensee**

Subsection 158.47(2) provides that an imported vaping product is exempted from stamping or packaging before release under the *Customs Act* for entry into the Canadian duty-paid market if the product is imported by a vaping product licensee for further manufacturing or for stamping by the licensee.

### **Vaping products imported for personal use**

As per subsection 158.62 (2) of the *Excise Act, 2001*, vaping duty and additional vaping duty are relieved on the importation of vaping products by an individual for their personal use to the extent that the quantity of the products imported exceeds the quantity permitted under Chapter 98 of the List of Tariff Provisions set out in the schedule to the [Customs Tariff](#) to be imported without the payment of duties, as defined in Note 4 to that Chapter. The quantity permitted to be imported duty free is one unit.

### **Importation for re-working or destruction**

As per subsection 158.64 of the *Excise Act, 2001*, the duties imposed under paragraphs 158.57(b) and 158.58(b) of that Act are relieved on a stamped vaping product that was manufactured in Canada by a vaping product licensee and that is imported for re-working or destruction in accordance with section 158.53 of that Act.

### **Other circumstances**

Section 158.66 of the *Excise Act 2001* provides certain circumstances where the vaping duty and the additional vaping duty on vaping products is not payable, including vaping products that meet the definition of a vaping product drug or are imported for analysis by a vaping product licensee with approval from the CRA.

## **Importation of stamped vaping products: Destined for the Canadian duty-paid market**

### **Vaping duty and additional vaping duty (if applicable): Payable**

61. Vaping duty is imposed under section 158.57 of the *Excise Act, 2001* on vaping products manufactured in Canada or imported into Canada in the amount determined under Schedule 8 to that Act. Vaping duty is paid to the CBSA on vaping products that bear the peach-coloured Canada vaping excise stamp when they are imported.

62. An additional vaping duty in respect of a specified vaping province is imposed under section 158.58 of the *Excise Act, 2001*, on vaping products imported in Canada, if the vaping products are destined for sale for the specified province's duty-paid market. The amount of additional duty in respect of vaping products in a specified vaping province is equal to the amount determined in respect of the vaping products under Schedule 8 to that Act. Vaping duty and additional vaping duty are to be paid to the CBSA on vaping products that bear the province-specific vaping excise stamp when they are imported. All products stamped with a province-specific stamp, are subject to the additional vaping duty.

#### Example:

A package of 4 vaping pods (each pod containing 1.5mL) is imported in Saskatchewan, destined for the Ontario market (as indicated by the Ontario vaping excise stamp affixed to the package). Effective July 1, 2024, products destined for the Ontario market are subject to the additional vaping duty. The package is subject to vaping duty in the total amount of \$8.96 ([\$1.12 in vaping duty plus \$1.12 in additional vaping duty per 1.5 mL pod] x 4). For more information, refer to *Excise Duty Notice EDN95: Coordinated Vaping Duty System*.

63. As per subsection 158.59 of the *Excise Act, 2001*, the vaping duty and the additional vaping duty in respect of an imported vaping product shall be paid and collected under the *Customs Act*. In addition, interest and penalties are to be imposed, calculated, paid and collected under the *Customs Act*, as if the tax was a customs duty levied on the vaping product under the *Customs Tariff*. The *Customs Act* applies with any modifications that the circumstances require.

64. In the case of imported vaping products, the importer, owner or other person who is liable under the *Customs Act* to pay duties levied under section 20 of the *Customs Tariff* is required to pay the vaping duty and the additional vaping duty imposed at the time of accounting to the CBSA. In the case of packaged vaping products that are imported by a vaping product licensee for stamping, the vaping duty and the additional vaping duty are payable by the vaping product licensee at the time they are stamped to the CRA. For more information, refer to the Reporting and accounting section of this memorandum.

## **Rates of vaping duty and additional vaping duty**

65. Effective July 1, 2024, the rates of vaping duty imposed on liquid vaping products under section 158.57 of the *Excise*

Act, 2001 are:

- \$1.12 per 2 millilitres (mL), or fraction thereof, for the first 10 mL of vaping substance in the vaping device or immediate container
- \$1.12 per 10 mL, or fraction thereof, for amounts over the first 10 ml

66. Effective July 1, 2024, the rates of vaping duty imposed on solid vaping products under section 158.57 of the *Excise Act, 2001* are:

- \$1.12 per 2 grams (g), or fraction thereof, for the first 10 g of vaping substance in the vaping device or immediate container
- \$1.12 per 10 g, or fraction thereof, for amounts over the first 10 g

67. Effective July 1, 2024, rates of additional vaping duty imposed under section 158.58 of the *Excise Act, 2001* in respect of a specified vaping province are equal to the amounts determined above. The *Coordinated Vaping Product Taxation Agreements* (CVPTAs) stipulate that the tax bases for the vaping duty and for the additional vaping duty in respect of a specified province are to remain identical.

68. The vaping duty and the additional vaping duty are calculated on the quantity of vaping substance contained within each individual device or immediate container, not on the total quantity contained in a package.

69. For more information, refer to [Excise Duty Notice EDN82: Calculation of Vaping Duty](#).

## Value for tax

70. The value for tax of the vaping product is the formula A plus B where:

A is the value of the vaping product as it would be determined under sections 48 to 53 of the *Customs Act*

(i.e., value for duty)

plus

B is any duties and taxes payable related to customs (e.g., under the *Customs Tariff*, the [Excise Tax Act](#), the *Excise Act, 2001* or the *Special Import Measures Act*, etc.), other than the GST/HST and provincial sales tax.

## GST/HST and provincial sales tax

71. The GST/HST is applicable to the value for tax of the vaping product (as per the rules set out in the *Excise Tax Act*) as calculated above.

72. When a provincial sales tax is applicable, it applies also to the value for tax of the vaping product and to the applicable GST.

73. For more information, refer to [Memorandum D2-3-6: Non-commercial Provincial Tax Collection Programs](#).

## Other duties and taxes payable: When vaping duty and additional vaping duty are not payable

74. All applicable duties and taxes related to customs (e.g. under the *Customs Tariff*, the *Excise Tax Act*, the *Excise Act 2001*, or the *Special Import Measures Act*, etc.), inclusive of the GST/HST and of the provincial sales tax (if applicable), are payable in respect of the importation of a vaping product even when vaping duty and additional vaping duty are not payable.

## Illustrative examples

75. For examples on the calculation of the vaping duty and other duties and taxes, refer to [Appendix B: Examples of calculation of amounts of customs duty, vaping duty and GST](#) of this memorandum.

## Tariff classification numbers

76. A lists of goods that may be subject to the excise duty framework for vaping products at the time of issuance of this memorandum, accompanied with their respective tariff classification numbers, can be found in [Appendix A: Harmonized System Reference list—Goods that may be subject to the vaping duty and to the vaping excise stamp](#) of this memorandum.

## Rulings

77. The CBSA recommends that importers submit an application for a ruling if they have any doubt as to the origin, tariff classification or value for duty of goods. The procedures for obtaining a ruling are outlined in [Memorandum D11-11-1: National Customs Rulings \(NCR\)](#), [Memorandum D11-11-3: Advance Rulings for Tariff Classification](#) and [Memorandum D11-4-16: Advance Rulings Under Free Trade Agreements](#).

## Reporting and accounting for vaping products

### Courier Low Value Shipment (CLVS) Program

78. Vaping products are regulated under the *Tobacco and Vaping Products Act, Canada Consumer Product Safety Act* and *Food and Drugs Act* and, therefore, are excluded from the CLVS Program. For more information, refer to [Memorandum D17-4-0: Courier Low Value Shipment Program](#).

### **Postal stream**

79. Vaping products that are commercial goods or casual goods are eligible for importation in the postal stream. For more information, refer to [Memorandum D5-1-1: International Mail Processing](#).

### **Casual goods (non-commercial)**

80. The accounting of vaping products which are casual goods follows the same process as any other casual goods. Casual goods means, for the purposes of this memorandum, 5 units or less of vaping products imported into Canada for personal use. Effective July 1, 2024, the additional vaping duty was imposed on vaping products that are imported by an individual for their personal use, if the individual is a resident in a specified vaping province. Importers should be prepared to present on demand to the officer any relevant documentation, as would be the case for any other goods. Officers will determine if the vaping duty and the additional vaping duty are applicable and proceed with the necessary calculations. For more information, refer to [Memorandum D17-1-3: Casual Importations](#) and to the relevant memorandum in the [D memoranda series: D2—International Travel](#).

### **Personal exemptions**

81. For more information on duty and tax free importation and limits on importation of vaping products accompanied by the traveller (whether taxed or not), refer to the relevant memorandum in the *D2 memoranda series: D2—International Travel*.

### **Commercial goods**

82. Reporting and accounting of vaping products that are commercial goods where the vaping duty is, or is not, payable on importation, is made in the same way and within the same prescribed time that customs duties and other taxes are, or are not, payable. Commercial goods means goods imported into Canada for sale or for any commercial, industrial, occupational, institutional or other like use. For more information, refer to [D memoranda series: D17—Accounting and Release Procedures](#).

83. Importers of vaping products must ensure that the appropriate and valid CRA vaping licence number or the letter of endorsement is available at the time of report when requested by the CBSA. When requested, the valid CRA vaping licence number or the letter of endorsement must be provided to the CBSA.

84. When the proof of the valid CRA vaping licence number or the letter of endorsement cannot be provided to the CBSA upon request, the vaping products may have to be exported, abandoned to the Crown or destroyed.

85. When accounting for vaping products, the importer should complete the CAD, using the same method as it would normally. This includes correctly determining the proper tariff classification number and calculating the regular duties and taxes. If provincial taxes are applicable, this will be calculated on a separate line.

86. An importer must pay all customs duties, GST/HST and vaping duty at the time of accounting (deferral of the amount equivalent to vaping duty is not allowed for vaping products). For more information, refer to the Duties and taxes calculation section of this memorandum.

87. The CBSA may require supporting documentation for the importation of a vaping product meeting conditions from one of the exceptions mentioned above that is claimed by the importer. If, at the time of accounting of the products (i.e., when the products have been released from the CBSA), the required supporting document is not valid or is not provided to the CBSA when required, in respect of the particular importation, and that the vaping duty would be payable in the absence of such proof, then the vaping duty would apply.

### **CSA importers (Customs Self-Assessment Program)**

88. Vaping products are considered eligible goods for the purposes of CSA Importers. RSF code 49435 (EXCISE TAX/DUTIES VAPING PRODUCTS) should be used in E648 CSA Revenue Summary Form. For more information, refer to *Memorandum D23-3-1: Customs Self-Assessment Program (CSA) for Importers*.

### **Accounting for commercial goods: Vaping duty payable and additional vaping duty non applicable**

89. To account for vaping products where the vaping duty is payable on importation, the importer must select the appropriate excise code from the Excise tax code scroll down menu. This code is based on whether the goods are liquid (ml) or solid vaping product (g) (see table below for a list of applicable excise codes when the vaping duty is payable). Code V01 and V15 are set as Accept Rates, which means that the importer needs to manually calculate the duty and enter amount in the Net Excise Duty amount field in CAD.

### **Table 1: Excise code—Vaping duty payable**

Vaping duty payable	Excise code
Stamped vaping products – liquid – federal duties only	V01
Stamped vaping products – solid – federal duties only	V15

### Example 1

The example below shows a commercial importation of a 30-gram bottle of solid vaping product that has a value for duty of \$50. The vaping products are not for consumption, use or sale to consumers in a specified vaping province.

Excise code V15 – Stamped vaping products – solid – federal duties only is selected.

#### Excise tax code

V01 - Stamped vaping products - liquid - federal duties only
V01 - Stamped vaping products - liquid - federal duties only
V02 - Stamped vaping products - liquid - federal and provincial duties - ON
V03 - Stamped vaping products - liquid - federal and provincial duties - QC
V04 - Stamped vaping products - liquid - federal and provincial duties - NU
V05 - Stamped vaping products - liquid - federal and provincial duties - NWT
V07 - Stamped vaping products - liquid - federal and provincial duties - AB
V08 - Stamped vaping products - liquid - federal and provincial duties - MB
V12 - Stamped vaping products - liquid - federal and provincial duties - NB
V13 - Stamped vaping products - liquid - federal and provincial duties - PEI
V14 - Stamped vaping products - liquid - federal and provincial duties - YK
<b>V15 - Stamped vaping products - solid - federal duties only</b>
V16 - Stamped vaping products - solid - federal and provincial duties - ON
V17 - Stamped vaping products - solid - federal and provincial duties - QC
V18 - Stamped vaping products - solid - federal and provincial duties - NU
V19 - Stamped vaping products - solid - federal and provincial duties - NWT
V21 - Stamped vaping products - solid - federal and provincial duties - AB
V22 - Stamped vaping products - solid - federal and provincial duties - MB
V26 - Stamped vaping products - solid - federal and provincial duties - NB
V27 - Stamped vaping products - solid - federal and provincial duties - PEI
V28 - Stamped vaping products - solid - federal and provincial duties - YK

When completing your CAD, complete all of the applicable fields. Below is an example of a PDF version of a CAD once completed.

56 C. Ln N. N. Catég. 00001	57 Previous Line no. (Warehouse) N° de ligne précédente (entrepôt)	58 Classification No. N° de classement 2404.19.00.00	59 Classification Description Description de la classification Products containing tobacco, reconstituted	60 Narrative Description Description narrative Vaping Products	61 Quantity Quantité 0.030	62 Unit of Measure Unité de mesure KGM	63 Time Limit Type Types de délai		
64 Extension Date Date de prolongation	65 Country of Origin Pays d'origine AL	66 U.S. State État américain	67 Place of Export Lieu d'exportation CA	68 Place of Export Code State État du code du lieu de l'exportation	69 Direct Shipment Date Date d'expédition directe 2024-12-19	70 Tariff Treatment Traitement tarifaire 002	71 Tariff Code Code tarifaire	72 Time Limit From Limite de temps à partir de	
73 Time Limit to Limite de temps jusqu'à	74 Destination Province Province de destination	75 Value for Currency Conversion Valeur pour conversion des devises 50.00	76 Currency Devises CAD	77 Exchange Rate Taux de change 1.00000000	78 Value for Duty Valeur en douane 50.00	79 DRP Licence Licence du PED	80 Special Auth OIC Décret d'autorisation spécial	81 Special Authority Permit Permis d'autorisation spéciale	
82 Customs Duty Droits de douane 0.00	83 Excise Tax Taxe d'accise 0.00	84 Excise Duty Droit d'accise 7.84	85 Surtax Surtaxe 0.00	86 Anti-Dumping Antidumping 0.00	87 Safeguard Sauvegarde 0.00	88 Countervailing Droits compensateurs 0.00	89 Value for Tax Valeur pour taxe 57.84	90 GST TPS 2.89	91 PST/HST Amount Montant de la TVP/TVH 0.00
92 Provincial Alcohol Tax Taxe provinciale sur l'alcool 0.00	93 Provincial Tobacco Amount Taxe provinciale sur le tabac 0.00	94 Alcohol Percent Pourcentage d'alcool 0	95 Provincial Cannabis Excise Duty Droit provincial sur le cannabis 0.00	96 CBSA Case No. N° de cas de l'ASFC	97 Ruling No. N° de la décision	98 Appeals Case No. N° du cas d'appel	99 Compliance Case No. N° de cas de conformité	100 Line Total Duties & Taxes Total des droits et taxes de la ligne 10.73	

### Text version

In this example of CAD:

- In the C. Ln N. field it shows 00001
- In the Classification No field it shows 2404.19.00.00
- In the Classification Description field it shows Products containing tobacco
- In the Narrative Description field it shows Vaping products
- In the Quantity field it shows 0.030
- In the Unit of Measure field it shows KGM
- In the Country of Origin field it shows AL
- In the Place of Export field it shows CA
- In the Direct Shipment Date field it shows 2024-12-19
- In the field Tariff Treatment it shows 002
- In the Value for Currency Conversion field it shows 50.00

- In the Currency field it shows CAD
- In the Exchange Rate field it shows 1.00000000
- In the Value for Duty field it shows 50.00
- In the Customs Duty field it shows 0.00
- In the Excise Tax field it shows 0.00
- In the Excise Duty field it shows 7.84
- In the Surtax field it shows 0.00
- In the Anti-Dumping field it shows 0.00
- In the Safeguard field it shows 0.00
- In the Countervailing field it shows 0.00
- In the Value for Tax field it shows 57.84
- In the GST field the it shows 2.89
- In the PST/HST/ field Amount it shows 0.00
- In the Provincial Alcohol Tax field it shows 0.00
- In the Provincial Tobacco Amount field it shows 0.00
- In the Alcohol Percent field it shows 0
- In the Provincial Cannabis Excise Duty field it shows 0.00
- And in the Line Total Duties & Taxes field it shows 10.73

## Accounting for commercial goods: Vaping duty and additional vaping duty payable

90. To account for vaping products where both the vaping duty and the additional vaping duty are payable on importation, the importer must insert the correct tariff classification number in the appropriate field, select the relevant excise code for the vaping duty and select the appropriate jurisdiction in the Destination Province field. This code is based on whether the goods are liquid (ml) or solid vaping product (g) (see table 2 below for a list of applicable excise codes when the vaping duty and the additional vaping duty are payable). The vaping duty and the additional vaping duty codes are set as Accept Rates, which means that the importer needs to manually calculate the duty and enter amount in the Net Excise Duty amount field in the CAD.

**Table 2: Administrative codes—Additional vaping duty payable**

Province or territory	Excise code: Solid vaping products	Excise code: Liquid vaping products
Ontario	V16	V02
Quebec	V17	V03
Nunavut	V18	V04
Northwest Territories	V19	V05
Alberta	V21	V07
Manitoba	V22	V08
New Brunswick	V26	V12
Prince Edward Island	V27	V13
Yukon	V28	V14

### Example 2

The example below shows a commercial importation of a 30-gram bottle of solid vaping products that has a value for duty of \$50. The vaping products are for consumption, use or sale to consumers in Ontario (a specified vaping province), even if the goods are imported via another province.

Excise code V16 – Stamped vaping products – solid – federal and provincial duties – ON - is selected

**Excise tax code**

Select an option

- V01 - Stamped vaping products - liquid - federal duties only
- V02 - Stamped vaping products - liquid - federal and provincial duties - ON
- V03 - Stamped vaping products - liquid - federal and provincial duties - QC
- V04 - Stamped vaping products - liquid - federal and provincial duties - NU
- V05 - Stamped vaping products - liquid - federal and provincial duties - NWT
- V07 - Stamped vaping products - liquid - federal and provincial duties - AB
- V08 - Stamped vaping products - liquid - federal and provincial duties - MB
- V12 - Stamped vaping products - liquid - federal and provincial duties - NB
- V13 - Stamped vaping products - liquid - federal and provincial duties - PEI
- V14 - Stamped vaping products - liquid - federal and provincial duties - YK
- V15 - Stamped vaping products - solid - federal duties only
- V16 - Stamped vaping products - solid - federal and provincial duties - ON**
- V17 - Stamped vaping products - solid - federal and provincial duties - QC
- V18 - Stamped vaping products - solid - federal and provincial duties - NU
- V19 - Stamped vaping products - solid - federal and provincial duties - NWT
- V21 - Stamped vaping products - solid - federal and provincial duties - AB
- V22 - Stamped vaping products - solid - federal and provincial duties - MB
- V26 - Stamped vaping products - solid - federal and provincial duties - NB
- V27 - Stamped vaping products - solid - federal and provincial duties - PEI
- V28 - Stamped vaping products - solid - federal and provincial duties - YK

When completing your CAD, complete all of the applicable fields. Below is an example of a PDF version of a CAD once completed.

56 C. Ln N. N. Catég. 00001	57 Previous Line no. (Warehouse) N° de ligne précédente (entrepôt)	58 Classification No. N° de classement 2404.19.00.00	59 Classification Description Description de la classification Products containing tobacco, reconstituted		60 Narrative Description Description narrative Vaping Products	61 Quantity Quantité 0.030	62 Unit of Measure Unité de mesure KGM	63 Time Limit Type Types de délai	
64 Extension Date Date de prolongation	65 Country of Origin Pays d'origine AL	66 U.S. State État américain	67 Place of Export Lieu d'exportation CA	68 Place of Export Code State État du code du lieu de l'exportation	69 Direct Shipment Date Date d'expédition directe 2024-12-19	70 Tariff Treatment Traitement tarifaire 002	71 Tariff Code Code tarifaire	72 Time Limit From Limite de temps à partir de	
73 Time Limit to Limite de temps jusqu'à	74 Destination Province Province de destination ON	75 Value for Currency Conversion Valeur pour conversion des devises 50.00	76 Currency Devise CAD	77 Exchange Rate Taux de change 1.00000000	78 Value for Duty Valeur en douane 50.00	79 DRP Licence Licence du PED	80 Special Auth OIC Décret d'autorisation spécial	81 Special Authority Permit Permis d'autorisation spéciale	
82 Customs Duty Droits de douane 0.00	83 Excise Tax Taxe d'accise 0.00	84 Excise Duty Droit d'accise 15.68	85 Surtax Surtaxe 0.00	86 Anti-Dumping Antidumping 0.00	87 Safeguard Sauvegarde 0.00	88 Countervailing Droits compensateurs 0.00	89 Value for Tax Valeur pour taxe 65.68	90 GST TPS 3.28	91 PST/HST Amount Montant de la TVP/TVH 0.00
92 Provincial Alcohol Tax Taxe provinciale sur l'alcool 0.00	93 Provincial Tobacco Amount Taxe provinciale sur le tabac 0.00	94 Alcohol Percent Pourcentage d'alcool 0	95 Provincial Cannabis Excise Duty Droit provincial sur le cannabis 0.00	96 CBSA Case No. N° de cas de l'ASFC	97 Ruling No. N° de la décision	98 Appeals Case No. N° du cas d'appel	99 Compliance Case No. N° de cas de conformité	100 Line Total Duties & Taxes Total des droits et taxes de la ligne 18.96	

**Text version**

In this example of CAD:

- In the C. Ln N. field it shows 00001
- In the Classification No field it shows 2404.19.00.00
- In the Classification Description field it shows Products containing tobacco
- In the Narrative Description field it shows Vaping products
- In the Quantity field it shows 0.030
- In the Unit of Measure field it shows KGM
- In the Country of Origin field it shows AL
- In the Place of Export field it shows CA
- In the Direct Shipment Date field it shows 2024-12-19
- In the field Tariff Treatment it shows 002
- In the field Destination Province it shows ON
- In the Value for Currency Conversion field it shows 50.00
- In the Currency field it shows CAD
- In the Exchange Rate field it shows 1.00000000
- In the Value for Duty field it shows 50.00
- In the Customs Duty field it shows 0.00
- In the Excise Tax field it shows 0.00
- In the Excise Duty field it shows 15.68
- In the Surtax field it shows 0.00
- In the Anti-Dumping field it shows 0.00
- In the Safeguard field it shows 0.00
- In the Countervailing field it shows 0.00
- In the Value for Tax field it shows 65.68
- In the GST field the it shows 3.28
- In the PST/HST/ field Amount it shows 0.00
- In the Provincial Alcohol Tax field it shows 0.00
- In the Provincial Tobacco Amount field it shows 0.00

- In the Alcohol Percent field it shows 0
- In the Provincial Cannabis Excise Duty field it shows 0.00
- And in the Line Total Duties & Taxes field it shows 18.96

## Accounting for commercial goods: Vaping duty and additional vaping duty relieved or not payable

91. To account for vaping products where the importer or the goods meet the conditions of one of the exceptions mentioned in the Vaping duty relieved or not payable on importation section above, the importer must enter the correct tariff classification number and also include the appropriate excise code from the Excise tax code scroll down menu. This excise code is based on the exception being claimed and indicates why the vaping duty is relieved or not payable (see table below for a list of applicable excise codes when an exception is being claimed).

**Table 3: Excise code—Vaping duty exceptions**

Vaping duty exceptions	Excise code
Vaping product drug - liquid	V29
Vaping product drug - solid	V30
Personal importation within the prescribed limit - liquid	V31
Personal importation within the prescribed limit - solid	V32
Imported by a vaping product licensee (VPL) for stamping on their premises - liquid	V33
Imported by a vaping product licensee (VPL) for stamping on their premises - solid	V34
Imported by a vaping product licensee (VPL) for further manufacturing on their premises - liquid	V35
Imported by a vaping product licensee (VPL) for further manufacturing on their premises - solid	V36
Imported by a vaping product licensee (VPL) for destruction - liquid	V37
Imported by a vaping product licensee (VPL) for destruction - solid	V38

### Example 3

The example below is a commercial importation of a 30-gram bottle of vaping liquid that has a value for duty of \$50. In this example, the product is unstamped, unpackaged and imported by a vaping product licensee for further manufacturing on their premises - liquid. Excise code V35 is selected to relieve the vaping duty and the additional vaping duty.

Excise code V35: Imported by a VPL for further manufacturing on their premises - liquid - is selected

**Excise tax code**

Select an option ▼

- V15 - Stamped vaping products - solid - federal duties only
- V16 - Stamped vaping products - solid - federal and provincial duties - ON
- V17 - Stamped vaping products - solid - federal and provincial duties - QC
- V18 - Stamped vaping products - solid - federal and provincial duties - NU
- V19 - Stamped vaping products - solid - federal and provincial duties - NWT
- V21 - Stamped vaping products - solid - federal and provincial duties - AB
- V22 - Stamped vaping products - solid - federal and provincial duties - MB
- V26 - Stamped vaping products - solid - federal and provincial duties - NB
- V27 - Stamped vaping products - solid - federal and provincial duties - PEI
- V28 - Stamped vaping products - solid - federal and provincial duties - YK
- V29 - Vaping drug - liquid
- V30 - Vaping drug - solid
- V31 - Vaping personal imports within the limit - liquid
- V32 - Vaping personal imports within the limit - solid
- V33 - VPL - for stamping on premises - liquid
- V34 - VPL - for stamping on premises - solid
- V35 - VPL - for further manufacturing on premises - liquid**
- V36 - VPL - for further manufacturing on premises - solid
- V37 - VPL - for destruction - liquid
- V38 - VPL - for destruction - solid

When completing your CAD, complete all of the applicable fields. Below is an example of a PDF version of a CAD once completed.

56 C. Ln N. N. Catég. 00001	57 Previous Line no. (Warehouse) N° de ligne précédente (entrepôt)	58 Classification No. N° de classement 2404.19.00.00	59 Classification Description Description de la classification Products containing tobacco, reconstituted	60 Narrative Description Description narrative Vaping products	61 Quantity Quantité 0.030	62 Unit of Measure Unité de mesure KGM	63 Time Limit Type Types de délai		
64 Extension Date Date de prolongation	65 Country of Origin Pays d'origine AL	66 U.S. State État américain	67 Place of Export Lieu d'exportation CA	68 Place of Export Code State État du code du lieu de l'exportation	69 Direct Shipment Date Date d'expédition directe 2025-05-20	70 Tariff Treatment Traitement tarifaire 002	71 Tariff Code Code tarifaire	72 Time Limit From Limite de temps à partir de	
73 Time Limit to Limite de temps jusqu'à	74 Destination Province Province de destination ON	75 Value for Currency Conversion Valeur pour conversion des devises 50.00	76 Currency Devise CAD	77 Exchange Rate Taux de change 1.00000000	78 Value for Duty Valeur en douane 50.00	79 DRP Licence Licence du PED	80 Special Auth OIC Décret d'autorisation spécial	81 Special Authority Permit Permis d'autorisation spéciale	
82 Customs Duty Droits de douane 0.00	83 Excise Tax Taxe d'accise 0.00	84 Excise Duty Droit d'accise 0.00	85 Surtax Surtaxe 0.00	86 Anti-Dumping Antidumping 0.00	87 Safeguard Sauvegarde 0.00	88 Countervailing Droits compensateurs 0.00	89 Value for Tax Valeur pour taxe 50.00	90 GST TPS 2.50	91 PST/HST Amount Montant de la TVP/TVH 0.00
92 Provincial Alcohol Tax Taxe provinciale sur l'alcool 0.00	93 Provincial Tobacco Amount Taxe provinciale sur le tabac 0.00	94 Alcohol Percent Pourcentage d'alcool 0	95 Provincial Cannabis Excise Duty Droit provincial sur le cannabis 0.00	96 CBSA Case No. N° de cas de l'ASFC	97 Ruling No. N° de la décision	98 Appeals Case No. N° du cas d'appel	99 Compliance Case No. N° de cas de conformité	100 Line Total Duties & Taxes Total des droits et taxes de la ligne 2.50	

## Text version

In this example of CAD:

- In the C. Ln N. field it shows 00001
- In the Classification No field it shows 2404.19.00.00
- In the Classification Description field it shows Products containing tobacco
- In the Narrative Description field it shows Vaping products
- In the Quantity field it shows 0.030
- In the Unit of Measure field it shows KGM
- In the Country of Origin field it shows AL
- In the Place of Export field it shows CA
- In the Direct Shipment Date field it shows 2025-05-20
- In the Tariff Treatment field it shows 002
- In the Destination Province field it shows ON
- In the Value for Currency Conversion field it shows 50.00
- In the Currency field it shows CAD
- In the Exchange Rate field it shows 1.00000000
- In the Value for Duty field it shows 50.00
- In the Customs Duty field it shows 0.00
- In the Excise Tax field it shows 0.00
- In the Excise Duty field it shows 0.00
- In the Surtax field it shows 0.00
- In the Anti-Dumping field it shows 0.00
- In the Safeguard field it shows 0.00
- In the Countervailing field it shows 0.00
- In the Value for Tax field it shows 50.00
- In the GST field it shows 2.50
- In the PST/HST/ Amount field it shows 0.00
- In the Provincial Alcohol Tax field it shows 0.00
- In the Provincial Tobacco Amount field it shows 0.00
- In the Alcohol Percent field it shows 0
- In the Provincial Cannabis Excise Duty field it shows 0.00
- And in the Line Total Duties & Taxes field it shows 2.50

## Additional information on report and accounting

92. For more information regarding the report and the accounting for commercial goods and for casual goods (non-commercial), refer to *D memoranda series: D17—Accounting and Release Procedures*.

## Return and sale of vaping products

93. Section 117 of the *Customs Act* does not allow the return of vaping products unless the goods were seized in error.

94. Section 119.1 of the *Customs Act* allows the Minister to sell forfeited vaping products to a person with the appropriate license under the *Excise Act, 2001*.

## Reporting and remitting the vaping duty and the additional vaping duty to Canada Revenue Agency

95. A vaping product licensee must file the [Form B600: Vaping Duty and Information Return](#), monthly, to report

their manufacturing activities (including inventories) and, if applicable, vaping duty and additional vaping duty payable.

96. A vaping prescribed person who imports packaged vaping products is required to file the [Form B601: Vaping Information Return—Prescribed Person](#), monthly, to report usage of vaping excise stamps.

97. For more information, refer to [Reporting and remitting the excise duty on vaping products](#).

## Corrections, refunds, drawbacks, re-determinations and further re-determinations

98. The obligation to make a correction to the incorrect declaration starts when the importer has reason to believe that a declaration of origin, tariff classification or value for duty is incorrect. The prescribed 90 day period to make a correction pursuant to section 32.2 of the *Customs Act* starts on the date that the importer has, or was deemed to have had, specific information that a declaration is incorrect. Failure to correct incorrect declarations may result in the assessment of an Administrative Monetary Penalty (AMP) and interest. For more information, refer to the Administration and enforcement section of this memorandum.

99. Corrections to declarations and requests for refunds on commercial goods are to be made on the CAD, in the manner under the relevant provisions of the *Customs Act*, in accordance with the procedures outlined in [Memorandum D11-6-6: Reason to Believe and Self-Adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#), [Memorandum D6-2-3: Refund of Duties](#) and [Memorandum D6-2-6: Refund of Duties and Taxes on Non-commercial Importations](#).

100. Where an amount of vaping duty on commercial goods is to be refunded to the importer or is to be paid to the CBSA, the CBSA will issue a Statement of Adjustment (SOA), which serves as a notice of refund or assessment, in response to an adjustment request, or in response to a review or re-determination initiated by the CBSA.

101. The CBSA may re-determine or further re-determine the origin, tariff classification or value for duty on commercial goods, on its own initiative or in response to an adjustment request. In so doing, as with customs duties and taxes, the CBSA may assess any undeclared amount of vaping duty.

102. Drawback is available for customs duty and vaping duty when imported vaping products released from the CBSA are duty-paid and are exported, or are sold to accredited representatives. A drawback claim, accompanied by waivers (since either the importer or exporter can claim but not both), can be filed with the CBSA. There can be no drawback of the amount equivalent to excise levied under the *Customs Tariff* when this amount has been paid under the *Excise Act, 2001* (e.g. entered into an excise warehouse immediately after release from CBSA). For more information, refer to [Memorandum D7-4-2: Duty Drawback Program](#).

103. Where there is overpayment of vaping duty on casual goods (non-commercial) that was paid to the CBSA, an importer may submit [Form B2G: CBSA Informal Adjustment Request](#) to the appropriate CBSA Casual Refund Centre to request refund of the amount overpaid. The refund center will either deny or allow the refund. For more information, refer to [Memorandum D6-2-6: Refund of Duties and Taxes on Non-commercial Importations](#).

## Review

104. Following a determination, re-determination or further re-determination of the origin, tariff classification or value for duty on commercial goods, an importer may request for a re-determination or further re-determination of origin, tariff classification or value for duty under the *Customs Act*. For more information, refer to [Memorandum D11-6-7: Request under Section 60 of the Act for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency](#).

105. Following the denial or reject of an importer's refund or adjustment request on casual goods by the CBSA Casual Refund Centre, an importer may appeal this decision. For more information, refer to the Appeal process section of [Memorandum D6-2-6: Refund of Duties and Taxes on Non-commercial Importations](#).

## Keeping records

106. Every vaping product licensee and vaping prescribed person is required, under subsection 206(1) of the *Excise Act, 2001*, to maintain all records that are necessary to determine whether they are in compliance with that Act. This includes the amount of vaping products manufactured, received, used, packaged, sold and disposed of. Records must also support the information reported in respect of the possession and use of any vaping excise stamps issued.

107. Records must be kept for a period of at least six years from the end of the last year to which they relate.

108. For more information, refer to [Excise Duty Memorandum EDM9-1-1: General Requirements for Books and Records](#).

## Administration and enforcement

109. The *Customs Act* legislative and administrative framework for importing and accounting including penalties, interest and enforcement action, will apply to vaping products until the time of release and to final accounting to

the CBSA. After release from the CBSA, the provisions of the *Excise Act, 2001* will apply as if the goods were domestic goods.

110. The *Excise Act, 2001* provides penalties for different circumstances of non-compliance related to the vaping duty and the vaping stamping regime. For more information, refer to the *Excise Act, 2001*.

111. Importations may be subject to examination at the time of importation and to post-release verification for compliance with the origin, tariff classification, value for duty, and marking programs, and any other applicable programs or provisions administered by the CBSA. If non-compliance is encountered by the CBSA, in addition to assessments of any applicable duties and taxes, penalties may be imposed and interest may be assessed, where applicable.

112. For more information, refer to [Memorandum D11-6-5: Interest and Penalty Provisions—Determinations/Re-determinations, Appraisals/Re-appraisals, and Duty Relief](#), [Memorandum D22-1-1: Administrative Monetary Penalty System](#), and the *Customs Act*.

## Additional information

113. For more on the vaping excise duty framework, refer to [Excise duty on vaping products](#).

## Appendix A: Harmonized System Reference list—Goods that may be subject to the vaping duty and to the vaping excise stamp

For the most up-to-date classification numbers, refer to the *Customs Tariff*.

### Vaping products subject to the duty and stamp

Vaping products	Tariff classification
Vaping product that is a vaping device that contains vaping substances	2404.12.00.00 – disposable, with vaping substance included that contains no tobacco but contains nicotine
Vaping product that is a vaping device that contains vaping substances	2404.19.00.00 – disposable, with vaping substance included that contains no tobacco and no nicotine
Vaping product that is a vaping device that contains vaping substances	8543.40.00.10 – reusable, with vaping substance included that contains nicotine
Vaping product that is a vaping device that contains vaping substances	8543.40.00.90 – reusable, with vaping substance included that contains no nicotine
Vaping products that are vaping substances in immediate containers	2404.12.00.00 – without tobacco but with nicotine
Vaping products that are vaping substances in immediate containers	2404.19.00.00 – without tobacco or nicotine
Vaping products that are vaping substances not in any vaping device or immediate container	2404.12.00.00 – without tobacco but with nicotine
Vaping products that are vaping substances not in any vaping device or immediate container	2404.19.00.00 – without tobacco or nicotine

### Vaping products not subject to the duty and stamp

Vaping products that are not subject to the vaping duty framework	Tariff classification
Vaping substance that contains tobacco	2404.11.00.00 – containing tobacco
Vaping substance that includes any cannabis	2404.19.00.00 – without tobacco or nicotine but containing any substances from cannabis
Vaping device without any vaping substance	8543.40.00.90 – reusable, empty

## Appendix B: Examples of calculation of amounts of customs duty, vaping duty and GST

**Example 1: Importation of commercial goods where the vaping duty is payable and where the additional vaping duty is not applicable**

<b>A package containing 4 pods, with each pod containing 1.5 mL of vaping liquid</b>	<b>Amount (\$)</b>
Value for duty (VFD)	40
Customs duty (such products are duty-free)	0
Vaping duty \$1.12 per 2 millilitres (mL), or fraction thereof, for the first 10 mL of vaping substance <b>(\$1.12 X 4 pods of 1.5mL each)</b>	4.48

<b>Amounts payable: Summary</b>	<b>Amount (\$)</b>
Customs duties	0
Vaping duty	4.48
Sub-total (value for tax)	44.48
GST	2.22
<b>Total amount of duties and taxes</b>	<b>6.70</b>

Table note: The vaping duty is calculated on the quantity of vaping liquid contained in each individual pod, not on the total volume contained in the package.

### Example 2: Importation of commercial goods where the vaping duty is payable and where the additional vaping duty is not applicable

<b>A 30 grams bottle of vaping solid</b>	<b>Amount (\$)</b>
Value for duty (VFD)	50
Customs duty (such products are duty-free)	0
Vaping duty \$1.12 per 2 grams (g), or fraction thereof, for the first 10 g of vaping substance, and \$1.12 per 10 g, or fraction thereof for amounts over the first 10 g <b>(\$5.60 for the first 10 g plus \$2.24 for the next 20 g)</b>	7.84

<b>Amounts payable: Summary</b>	<b>Amount (\$)</b>
Customs duties	0
Vaping duty	7.84
Sub-total (value for tax)	57.84
GST	2.89
<b>Total amount of duties and taxes</b>	<b>10.73</b>

### Example 3: Importation of commercial goods where both the vaping duty and the additional vaping duty are payable

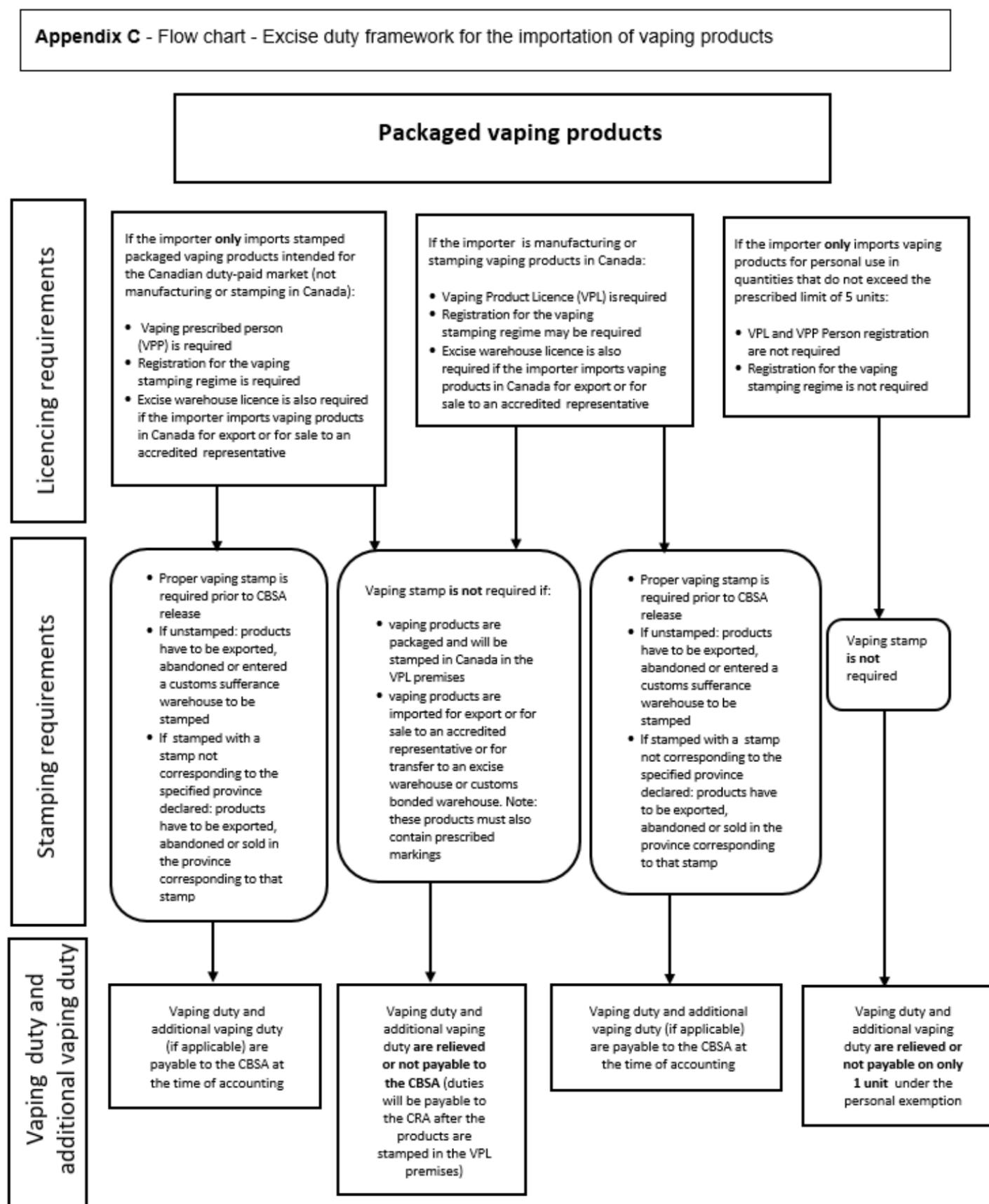
<b>A package containing 4 pods, with each pod containing 1.5 mL of vaping products liquid</b>	<b>Amount (\$)</b>
Value for duty (VFD)	40
Customs duty (such products are duty-free)	0
Vaping duty \$1.12 per 2 millilitres (mL), or fraction thereof, for the first 10 mL of vaping substance <b>(\$1.12 X 4 pods of 1.5mL each)</b>	4.48
Additional vaping duty \$1.12 per 2 millilitres (mL), or fraction thereof, for the first 10 mL of vaping substance <b>(\$1.12 X 4 pods of 1.5mL each)</b>	4.48

<b>Amounts payable: Summary</b>	<b>Amount (\$)</b>
Customs duties	0
Vaping duty	4.48
Additional vaping duty	4.48

Sub-total (value for tax)	48.96
GST	2.49
<b>Total amount of duties and taxes</b>	<b>11.45</b>

Table note: The vaping duty and the additional vaping duty are calculated on the quantity of vaping liquid contained in each individual pod, not on the total volume contained in the package.

## Appendix C: Flowchart of the excise duty framework for the importation of vaping products



### Packaged vaping products: Text version

#### Licensing requirements

If the importer **only** imports stamped packaged vaping products intended for the Canadian duty-paid market (not manufacturing or stamping in Canada):

- Vaping prescribed person (VPP) is required
- Registration for the vaping stamping regime is required
- Excise warehouse licence is also required if the importer imports vaping products in Canada for export or for sale to an accredited representative

If the importer is manufacturing or stamping vaping products in Canada:

- Vaping product licence (VPL) is required
- Registration for the vaping stamping regime may be required
- Excise warehouse licence is also required if the importer imports vaping products in Canada for export or for sale to an accredited representative

If the importer **only** imports vaping products for personal use in quantities that do not exceed the prescribed limit of 5 units:

- VPL and VPP registration are not required
- Registration for the vaping stamping regime is not required

### **Stamping requirements**

- Proper vaping stamp is required prior to CBSA release
- If unstamped: products have to be exported, abandoned or entered a customs sufferance warehouse to be stamped
- If stamped with a stamp not corresponding to the specified province declared: products have to be exported, abandoned or sold in the province corresponding to that stamp

Vaping stamp **is not** required if:

- vaping products are packaged and will be stamped in Canada in the VPL premises
- vaping products are for export or for sale to an accredited representative or for transfer to an excise warehouse or customs bonded warehouse. Note: these products must also contain prescribed markings
- Proper vaping stamp is required prior to CBSA release
- If unstamped: products have to be exported, abandoned or entered a customs sufferance warehouse to be stamped
- If stamped with a stamp not corresponding to the specified province declared: products have to be exported, abandoned or sold in the province corresponding to that stamp

Vaping stamp **is not** required.

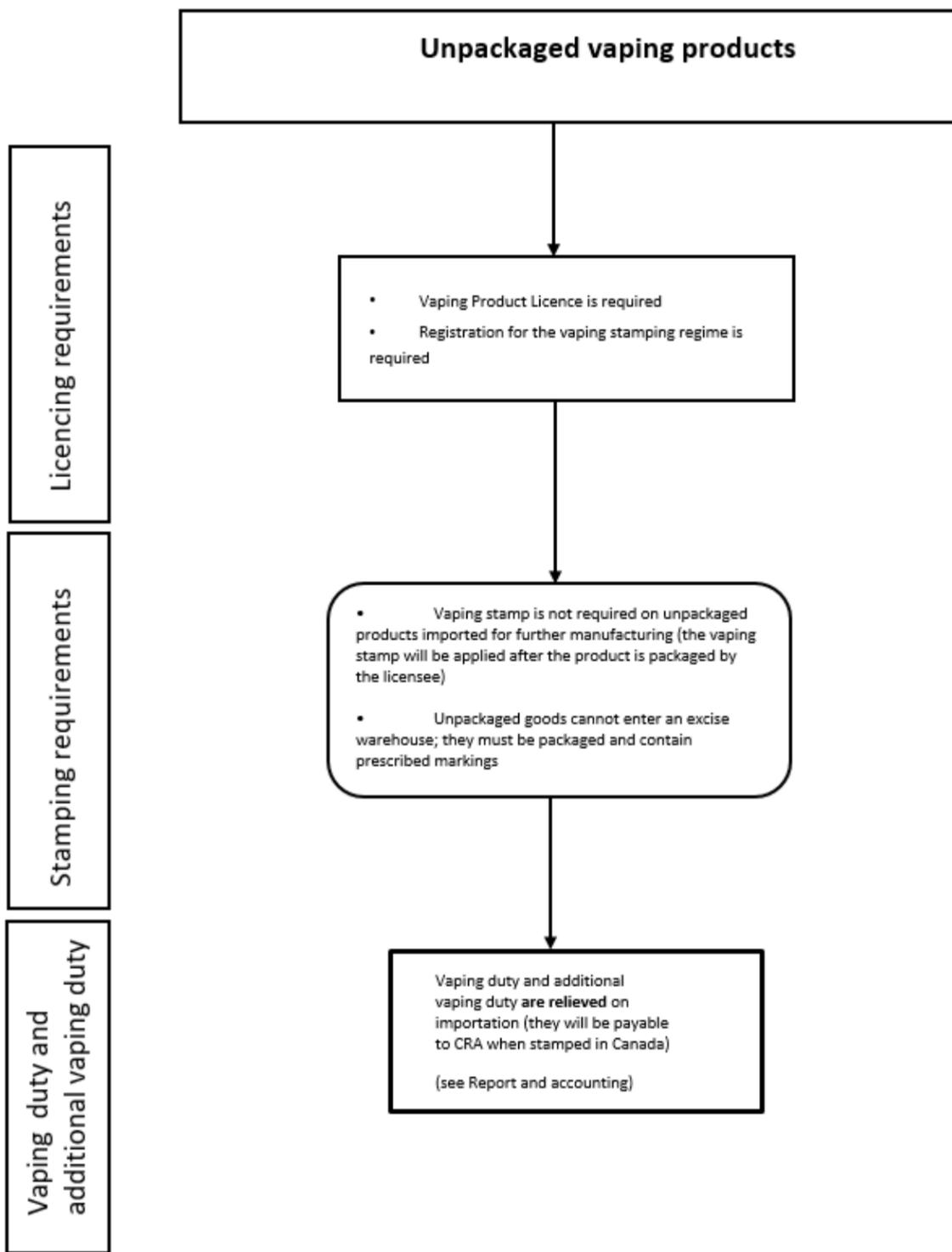
### **Vaping duty and additional vaping duty**

Vaping duty and additional vaping duty (if applicable) are payable to the CBSA at the time of accounting.

Vaping duty and additional vaping duty **are relieved or not payable** to the CBSA (duties will be payable to the CRA after the products are stamped in the VPL premises).

Vaping duty and additional vaping duty (if applicable) are payable to the CBSA at the time of accounting.

Vaping duty and additional vaping duty **are relieved or not payable on only 1 unit** under the personal exemption.



## Unpackaged vaping products: Text version

### Licencing requirements

- Vaping product licence is required
- Registration for the vaping stamping regime is required

### Stamping requirements

- Vaping stamp is not required on unpackaged products imported for further manufacturing (the vaping stamp will be applied after the product is packaged by the licensee)
- Unpackaged goods cannot enter an excise warehouse; they must be packaged and contain prescribed markings

### Vaping duty and additional vaping duty

Vaping duty and additional vaping duty **are relieved** on importation (they will be payable to CRA when stamped in Canada).

(see Report and accounting), [Additional information on report and accounting](#)

## References

Consult these resources for further information.

### Applicable legislation

- [Canada Consumer Product Safety Act](#)
- [Customs Act](#)
- [Customs Sufferance Warehouses Regulations](#)
- [Customs Tariff](#)
- [Excise Act, 2001](#)
- [Excise Tax Act](#)
- [Food and Drugs Act](#)
- [Food and Drug Regulations](#)
- [Foreign Missions and International Organizations Act](#)
- [Non-residents' Temporary Importation of Baggage and Conveyances Regulations](#)
- [Regulations Respecting the Possession of Tobacco, Cannabis or Vaping Products That Are Not Stamped](#)
- [Special Import Measures Act](#)
- [Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations](#)
- [Tobacco and Vaping Products Act](#)

### Related D memoranda

- [Memorandum D1-2-1: Special Services](#)
- [D memoranda series: D2—International Travel](#)
- [D memoranda series: D3—Transportation](#)
- [Memorandum D4-1-4: Customs Sufferance Warehouses](#)
- [Memorandum D4-1-7: Extension of Time Limits for the Storage of Goods](#)
- [Memorandum D5-1-1: International Mail Processing](#)
- [Memorandum D6-2-3: Refund of Duties](#)
- [Memorandum D6-2-6: Refund of Duties and Taxes on Non-commercial Importations](#)
- [Memorandum D7-4-2: Duty Drawback Program](#)
- [Memorandum D7-4-4: Customs Bonded Warehouses](#)
- [Memorandum D11-4-16: Advance Rulings for Origin Under Free Trade Agreements](#)
- [Memorandum D11-6-5: Interest and Penalty Provisions—Determinations/Re-determinations, Appraisals/Re-appraisals, and Duty Relief](#)
- [Memorandum D11-6-6: Reason to Believe and Corrections to the Declaration of Origin, Tariff Classification or Value for Duty](#)
- [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](#)
- [Memorandum D11-11-1: National Customs Rulings](#)
- [Memorandum D11-11-3: Advance Rulings for Tariff Classification](#)
- [D memoranda series: D17—Accounting and Release Procedures](#)
- [Memorandum D17-1-3: Casual Importations](#)
- [Memorandum D17-4-0: Courier Low Value Shipment Program](#)
- [Memorandum D22-1-1: Administrative Monetary Penalty System](#)
- [Memorandum D23-3-1: Customs Self-Assessment Program for Importers](#)

### Superseded D memoranda

D18-3-2 dated February 7, 2025

### Issuing office

Trade Policy Division  
Trade Programs and Anti-dumping Directorate  
Commercial and Trade Branch

### Contact us

[Contact border information services](#)

### Related links

- [CARM: The new way to assess and pay duties and taxes on imported commercial goods](#)
- [CARM Client Portal: Onboarding documentation](#)

- [Form B2G: CBSA Informal Adjustment Request](#)
- [Excise Duties on Vaping Products Regulations](#)
- [Applying for a vaping product licence](#)
- [Excise Duty Notice EDN79: Obtaining and Renewing a Vaping Product Licence](#)
- [Excise Duty Notice EDN80: Overview of Vaping Excise Stamps](#)
- [Excise Duty Notice EDN81: Becoming a Vaping Prescribed Person](#)
- [Excise Duty Notice EDN82: Calculation of Vaping Duty](#)
- [Excise Duty Notice EDN95: Coordinated Vaping Duty System](#)
- [Excise Duty Notice EDN99: Additional Specified Vaping Provinces Effective November 6, 2024](#)
- [Excise Duty Memorandum EDM9-1-1: General Requirements for Books and Records](#)
- [Form B600: Vaping Duty and Information Return](#)
- [Form B601: Vaping Information Return—Prescribed Person](#)
- [Form L601: Registration for Vaping Stamping Regime](#)
- [Reporting and remitting the vaping duty](#)
- [Vaping compliance and enforcement](#)