



**LEAST DEVELOPED COUNTRY  
TEXTILE AND APPAREL  
ORIGIN VERIFICATION QUESTIONNAIRE  
PREFERENCE CRITERIA E**

**PURPOSE**

The purpose of this questionnaire is to provide the Canada Border Services Agency (CBSA) with information used to determine the eligibility of goods to the Least Developed Countries Tariff (LDCT). This information is required to conduct a verification of the origin of specified goods imported into Canada, pursuant to section 42.01 of the *Customs Act* (hereinafter referred to as “the Act”), for which a claim for the LDCT was made on the basis that the goods originate, as a result of meeting a rule of origin under Paragraph 2(2.4)(b) of the *Rules of Origin Respecting the General Preferential Tariff and Least Developed Country Tariff Regulations* (hereinafter referred to as “the Regulations”),

**Paragraph 2(2.4)(b) – Apparel**

Goods of tariff item Nos. set out in Part C1 of the schedule originate in a least developed country, if they are assembled in a least developed country from fabric cut in that country or in Canada, or from parts knit to shape, provided the fabric, or the parts knit to shape, are produced in

- b)* a GPT beneficiary country from yarns originating in a least developed country, a GPT beneficiary country or Canada, provided
  - (i) the yarns and fabric do not undergo further processing outside a least developed country, a GPT beneficiary country or Canada, and
  - (ii) the value of any materials, including packing, that are used in the manufacture of the goods and that originate outside the least developed country in which the goods are assembled is no more than 75% of the ex-factory price of the goods as packed for shipment to Canada.

Goods are entitled to the LDCT only if the goods are shipped directly to Canada, with or without transshipment, from a least developed country (LDC).

**Note 1:** This questionnaire must be completed and returned by the date specified in the covering letter accompanying this questionnaire. If the CBSA does not receive the completed questionnaire within the specified time period, it may, pursuant to subsection 59.1 of the Act, deny preferential tariff treatment to the goods that are the subject of the verification of origin.

## GENERAL

The CBSA may further verify the origin of the goods and/or determine the accuracy of any or all of the information provided in the completed questionnaire by sending a subsequent verification questionnaire or verification letter, and/or by conducting a verification visit in accordance with section 42.01 of the Act.

Where materials used in the production of a good are obtained from a supplier in respect of which the producer claims that such materials originate in that country, it is incumbent upon that producer to substantiate the basis on which the claim was made. One way of substantiating the basis of the claim can be through written statements from suppliers. As part of this verification process, supplier statements are required to be submitted with this questionnaire.

## ADDITIONAL INFORMATION

For additional information regarding the completion of this questionnaire, please refer to the Regulations. Information and/or clarification may also be obtained from the CBSA officer identified in the covering letter. Information concerning Canadian Customs legislation is available from Foreign Affairs and International Trade Canada (DFAIT) at [www.international.gc.ca/tna-nac/what-en.asp](http://www.international.gc.ca/tna-nac/what-en.asp); the CBSA Customs D Memoranda at <http://www.cbsa-asfc.gc.ca/menu/D11-e.html>, which includes D11-4-4 Rules of Origin Respecting the General Preferential Tariff and Least Developed Country Tariff; the Customs Tariff at [www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-e.html#current](http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-e.html#current); and the Customs Act at <http://laws.justice.gc.ca/en/C-52.6/index.html>.

## CONFIDENTIALITY

The CBSA shall, in accordance with section 107 of the Act, protect the confidentiality of all confidential business information submitted in this questionnaire and shall not, under any circumstances, disclose such information to a third party without prior consultation with your company.

**DEFINITIONS**

The following definitions are provided for reference only and are intended for use in completing this questionnaire.

**“assists”** mean any of the following, if supplied directly or indirectly, and free of charge or at a reduced cost, by the purchaser for use in the production of the exported good

- (a) materials, components, parts and other goods incorporated in the imported goods;
- (b) tools, dies, moulds and other goods utilized in the production of imported goods;
- (c) any materials consumed in the production of imported goods; and
- (d) engineering, development work, design work, plans, and sketches which are undertaken elsewhere than in Canada and necessary for the production of imported goods.

**“enters the commerce”** means a material used in the production of the good that has entered a country and has:

- (a) not remained under transit control in an intermediate country;
- (b) undergone operations in an intermediate country other than unloading, reloading or splitting up of loads, or any other operation required to keep the good in good condition;
- (c) entered into trade or consumption in the intermediate country; and
- (d) remained in temporary storage in an intermediate country for a period exceeding six months.

**“ex-factory price or ex-works”** means the total value of:

- (a) materials;
- (b) parts;
- (c) factory overhead;
- (d) labour;
- (e) any other reasonable costs incurred during the normal manufacturing process, e.g., duties and taxes paid on materials imported into a beneficiary country and not refunded when the goods were exported; and
- (f) a reasonable profit.

**[Note:** Any costs incurred subsequent to the goods leaving the factory, such as freight, loading and temporary storage, are not included in the ex-factory price calculation.]

**“GPT”** means the General Preferential Tariff;

**“GPT beneficiary country”** means a country that is a beneficiary of the General Preferential Tariff;

**“harmonized system (HS)”** means, the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes as adopted and implemented by Canada under the *Customs Tariff*;

**“least developed country (LDC)”** means a least developed country as defined by the United Nations Committee on Development Policy as a country entitled to the benefits of duty-free and quota-free access to the Canadian market; (Schedule (iii) of the Customs Tariff identifies the LDCT beneficiary countries);

**“LDCT beneficiary”** means a country or territory entitled to the LDCT;

**“originating good”** means a good that originates in a LDC by satisfying one of the applicable LDC rules of origin;

**“originating in Canada”** refers to, a) for **yarns**, a good which has been spun or extruded in Canada and has not undergone any further processing outside of Canada or a LDCT beneficiary; b) for **fabric**, a good which has been produced in Canada from yarns originating in a LDCT or GPT beneficiary or Canada and the fabric does not undergo any further processing outside Canada or a LDCT beneficiary;

**“packed for shipment to Canada”** refers to all ex-factory costs incurred to the point where the goods leave the factory, including any extra costs, charges and expenses incurred in preparing the goods for shipment to Canada. This would include extra packing required to protect the goods during the voyage.

**“rules of origin”** means the rules of origin regulations respecting the General Preferential Tariff and Least Developed Country Tariff for entitlement to duty-free and quota-free access to the Canadian market as found in memorandum D11-4-4;

**“through bill of lading (TBL)”** means a single document that is issued prior to the goods beginning their journey when the carrier assumes care, custody, and control of the goods and will usually contain the following information:

- (a) the identity of the exporter in the country of origin;
- (b) the identity of the consignee in Canada;
- (c) the identity of the carrier or agent who assumes liability for the performance of the contract;
- (d) the contracted routing of the goods identifying all points of transshipment;
- (e) a full description of the goods and the marks and numbers of the package; and
- (f) the place and date of issue.

**Note:** A TBL that does not include all points of transshipment may be accepted, if these are set out in related shipping documents presented with the TBL.

On a case-by-case basis, an amended TBL may be accepted as proof of direct shipment where documentation errors have occurred and the amended TBL corrects an error in the original document. In such cases, the carrier must provide proof that the amended TBL reflects the actual movement of the goods as contracted when the goods began their journey. Documentation presented must clearly indicate the actual movement of the goods.

**“transshipment”** means the act of taking cargo out of one conveyance and loading it into another conveyance. It also includes the act of taking cargo out of one conveyance and reloading it into the same conveyance. The landing of an airplane for refuelling or docking of a ship to take on additional cargo does not constitute transshipment if the goods in question are not unloaded from the conveyance.

## **CERTIFICATION**

This questionnaire must be completed, signed and dated by the exporter or producer of the goods or by the supplier of a material used in the production of the goods, as the case may be.

## **INSTRUCTIONS ON THE COMPLETION OF THE QUESTIONNAIRE**

### **GENERAL INFORMATION**

The information requested in this questionnaire may be received by the CBSA in any suitable format including electronic. For example, a bill of materials indicating the origin of materials and the respective supplier names and addresses will be acceptable to the CBSA, instead of reproducing the information in the questionnaire. All information should be certified.

**Where there is insufficient space in this questionnaire to adequately respond to a request for information, please attach additional page(s) as necessary.**

### **STEP 1**

#### **Field A: PRODUCER INFORMATION**

State the name, address including country, contact name and title, telephone number, facsimile number, contact person's email, company website and Fiscal Year-End for the producer of the goods.

#### **Field B: DESCRIPTION OF GOOD, OR REPRESENTATIVE STYLE, IF APPLICABLE**

Provide a full description of each good. Indicate style or model number, or any other relevant description. Ensure that a sample of the good has been enclosed. For additional information regarding the sample, refer to the cover letter accompanying this questionnaire.

Provide the Harmonized System tariff classification to the eight digit level, as required to determine the applicable Rule of Origin of the goods. Refer to the Customs Tariff.

#### **Field C: SHIPPING DETAILS**

Provide the shipping details including the mode of transportation and routing of the goods, identifying all points of transshipment on the way to Canada.

#### **Field D: REPRESENTATIVENESS**

Provide a list of the goods, including all represented styles, covered by this questionnaire and indicate the corresponding Invoice number(s). For additional information regarding representativeness, refer to the cover letter accompanying this questionnaire.

**STEP 2****Field E: VALUE OF MATERIALS**

Identify each material used in the production process. Indicate the country of origin of the material. Identify the supplier name and invoice number (attach a copy of the invoice for the material purchased). State all values in \$US and on a per unit consumption basis.

**Note 1:** Materials purchased from producers or suppliers in a LDC, Canada or a GPT beneficiary country are not necessarily originating materials (materials claimed to be originating must qualify as originating under the Regulations).

**Note 2:** If any of the materials used in the production of the good entered the commerce of any country other than a LDCT beneficiary or Canada they lose the LDCT status. The value cannot be included under "Cost incurred in a LDC where good was assembled or Canada".

Add each row of Cost per piece of garment incurred in LDC (Z1) and incurred elsewhere (Z2), and carry the **Total Materials Cost per unit** to box A (**Value of Materials**) in the **SUMMARY** section on page 13.

**Field F: DESCRIPTION OF PRODUCTION PROCESS**

Indicate each step in the production process and provide the name and address of the processor, including the division, production facility or factory, associated company, etc.

**STEP 3****Field G: COST OF PRODUCTION AND OTHER COSTS PER PIECE**

Under the major cost categories of Direct Labour, Factory Overhead and Other Costs (see Notes 1 and 2 below), identify the location in which the cost was incurred, and the corresponding unit cost. Provide a detailed explanation as to how the direct labour and factory overhead were calculated.

**Note 1:** The information can also be submitted by responsibility cost centre, rather than by major cost categories.

**Note 2:** Any costs incurred subsequent to the goods leaving the factory, such as freight, loading, temporary storage, are not included in the ex-factory price calculation.

Add all costs and carry forward the **Total Cost of Production and other Costs per piece** to box B in the **SUMMARY** section on page 13.

**STEP 4****Field H: REASONABLE PROFIT PER PIECE**

Provide a detailed explanation of how reasonable profit was calculated. The value for reasonable profit means the amount of profit that would be made in the ordinary course of trade on the sale of the good.

Carry forward the **Total Reasonable Profit per piece** to box C in the **SUMMARY** section on page 13.

**STEP 5****Field I: SUMMARY**

Ensure that the **Total Materials Cost per unit** (boxes A1 & A2), **Total Cost of Production and Other Costs per piece** (box B), and **Total Reasonable Profit per piece** (box C) have been carried forward correctly to the **SUMMARY** section. Then:

- a) Calculate the Total Ex-Factory Price of the Good per piece. Add the values in box (A3), box B and box C and put the total in box D.
- b) Calculate the LDCT Qualifying Content. Add the values in boxes (A1)+B+C and put the total in box E.
- c) Calculate the LDCT Qualifying Content Percentage. Divide the value in box E by the value in box D, then multiply by 100 and put the percentage in box F.

**STEP 6****Field J: COMPLETION OF THE QUESTIONNAIRE**

Provide complete details as to who completed the questionnaire.

**Field K: CERTIFICATION**

This field must be completed, signed and dated by the exporter or manufacturer of the goods.

**PROTECTED when completed**

PLEASE PRINT CLEARLY

# Least Developed Country Origin Verification Questionnaire Preference Criteria E

**PRODUCER INFORMATION**

*Field A*

Company Name: \_\_\_\_\_ Address: \_\_\_\_\_

Contact Name \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Facsimile No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_ Co. Website address: \_\_\_\_\_

Fiscal Year End: \_\_\_\_\_  
(Accounting Period) YEAR MONTH DAY

**DESCRIPTION OF GOOD, OR REPRESENTATIVE STYLE, IF APPLICABLE (including HS Tariff Classification)**

*Field B*

Please provide a copy of **one** commercial invoice for the selected style

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HS Tariff Classification  
(Example 9999.99.99)

**SHIPPING DETAILS (including route to Canada)**

*Field C*

Please provide a copy of the Bill of Lading for the selected style





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**VALUE OF MATERIALS (US \$)**

**Field E**

				Cost per piece of garment (X x Y)				
Item No.	List of materials *	Unit price (X)	Quantity used per piece (Y)	Cost Incurred In LDC where good was assembled or Canada (Z1)	Cost incurred elsewhere (Z2)	Supplier name	Country of Origin	Invoice # ( Please attach the invoice )
1				\$	\$			
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
<b>TOTAL MATERIALS COST PER UNIT</b>				\$	\$			
Total unit cost of materials - Value of Materials (A) Please carry forward to the Summary section				A1	A2			

\* List all materials, for example: fabric, lining, buttons, zippers, cording, elastic, hang tags, accessories, etc. Please include materials supplied by the purchaser of the goods, even if at reduced cost or at no charge.

**Note: Attach a separate sheet of paper if you need more space.**



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**DESCRIPTION OF PRODUCTION PROCESS**

*Field F*

Production Process	Plant Name and Complete Address
Spinning <input type="checkbox"/> Yes <input type="checkbox"/> No	
Weaving <input type="checkbox"/> Yes <input type="checkbox"/> No	
Bleaching <input type="checkbox"/> Yes <input type="checkbox"/> No	
Dyeing <input type="checkbox"/> Yes <input type="checkbox"/> No	
Printing <input type="checkbox"/> Yes <input type="checkbox"/> No	
Cutting <input type="checkbox"/> Yes <input type="checkbox"/> No	
Sewing <input type="checkbox"/> Yes <input type="checkbox"/> No	
Knitting <input type="checkbox"/> Yes <input type="checkbox"/> No	
Assembly <input type="checkbox"/> Yes <input type="checkbox"/> No	
Washing <input type="checkbox"/> Yes <input type="checkbox"/> No	
Other <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(Please describe)</i>	

**Note: Attach a separate sheet of paper if you need more space.**

**COST OF PRODUCTION AND OTHER COSTS PER PIECE**

*Field G*

<u>Major Cost Category</u>	<u>Location Where Cost Was Incurred</u>	<u>Unit Cost (US\$)</u>
Direct Labour (Note 1)		
Factory Overhead (Note 2)		
Other Costs (Note 3)		
<b>Total Cost of Production and Other Costs per piece (B)</b> Please carry forward to the Summary section		\$

**Notes:**

**1 - Direct Labour:**

The cost of the employees who work directly on the product and whose efforts can be identified with or specifically traced to a product or service. For example, direct labour includes the wages of cutters, sewers, and packers in a garment factory.

**2 - Factory Overhead:**

All production costs, other than direct materials and direct labour, which cannot be identified with or traced directly to individual goods. For example, indirect materials, supervision, repairs and maintenance, production assets' depreciation, property taxes, insurance, utilities, janitorial services, and security.

**3 - Other Costs:**

Any reasonable cost incurred during the normal manufacturing process. For example, duties and taxes paid on imported materials and not refunded when the goods were exported, bank charges, and Director's salaries. Any costs incurred subsequent to the goods leaving the factory, such as freight, loading, and temporary storage, must be excluded.



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**REASONABLE PROFIT PER PIECE** *Field H*

*Please provide an explanation of how you calculated the Reasonable Profit Component*

\_\_\_\_\_  
\_\_\_\_\_

**Total Reasonable Profit per piece (C)**  
**Please carry forward to the Summary section**

\$

**SUMMARY** *Field I*

	Cost Incurred In LDC where good was assembled or Canada	Cost Incurred Elsewhere	Total Cost (A1)+(A2)
	(A1)	(A2)	(A3)
<b>A</b>	<i>Value of Materials per piece (US\$)</i>		
<b>B</b>	<i>Costs of Production and other Costs per piece (US\$)</i>		
<b>C</b>	<i>Reasonable Profit per piece (US\$)</i>		
<b>D</b>	Total Ex-Factory Price of the Good per piece (A3+B+C)		
<b>E</b>	LDCT Qualifying Content (A1+B+C)		
<b>F</b>	LDCT Qualifying Content Percentage (E/D)(example 35.25%)		____.____%

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**COMPLETION OF THE QUESTIONNAIRE**

*Field J*

Did a third party prepare this questionnaire? YES NO

If **YES**,

Please provide the following information:

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

**CERTIFICATION**

*Field K*

**I certify that the information provided in response to this questionnaire is true and accurate. I agree to maintain, and present upon request, all records and documents necessary to support the representations made in response to this questionnaire.**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

\_\_\_\_\_|\_\_\_\_\_|\_\_\_\_\_  
*Year Month Day*