

Federal Budget - March 4 2010

Tariff Reductions on Manufacturing Inputs; Machinery; & Equipment

March 5, 2010

The following was compiled by Russell A. Farrow Limited from information released by the Department of Finance and the Canada Border Services Agency.

The following information is relative to Customs Tariff measures from the 2010 federal budget tabled at 4pm EST Thursday, March 4. **This information will be of interest to clients who import Machinery, Equipment as well as various Goods and Materials used as Manufacturing Inputs in Canada.**

- **1,160 tariff items will have the Most Favoured Nation (MFN) rates of duty reduced to “Free”** as of March 5, 2010; and
- **381 tariff items will have the MFN rates of duty gradually reduced**, beginning as of March 5, 2010 and going to “Free” by no later than January 1, 2015.

In certain instances, these MFN reductions will lead to consequential reductions to the rates of duty under other tariff treatments, namely the General Preferential Tariff, the Costa Rica Tariff, the Peru Tariff, the Australia Tariff and the New Zealand Tariff. In a few instances, additional tariff items will be created to take into consideration comments received from stakeholders.

The tariff reductions will be given effect by amendments to the Customs Tariff and will be effective in respect of goods imported into Canada on or after **March 5, 2010**.

A list of the tariff items impacted by these changes can be found in **Tariff Notice TN-49** and can be viewed at: <http://asfc-cbsa.gc.ca/trade-commerce/tariff-tarif/2010/tn49-eng.html>

IMPORTANT: These changes are not expected to be available for use in the Customs Commercial System (CCS) before **March 10, 2010** and will be available for use by Electronic Commerce clients one day after the Customs Commercial System is updated. **This will result in the potential for refund claims on entries processed between March 5 and March 10.**