



KWE CANADA COMPLIANCE

MEMO 2010 . XII

1. **QUÉBEC SALES TAX (QST):** The rate of QST will increase, from 7.5% to 8.5%, starting 1 January, 2011. Note should be made that the QST is calculated on the GST-Paid Value of taxable goods or services, so that the effective rate of tax on goods or services subject to the QST on or after 1 January, 2011 will be 13.925%.

2. **CANADA CONSUMER PRODUCT SAFETY ACT (CCPSA):** The CCPSA has received Royal Assent and is now law. As noticed in KWE Canada Compliance Memo 2010.VIII, the CCPSA succeeds the *Hazardous Products Act* (HPA) and strengthens it. The new Act will better protect the health and safety of Canadians by modernizing inspection powers and regulatory mechanisms. As with the HPA, the CCPSA will prohibit the importation, manufacture, sale or advertising of consumer products that pose an "unreasonable" danger to human health or safety. But the CCPSA will in addition, among other things, empower Health Canada (HC) to require industry to report any serious incident or death related to a particular consumer product; to request information on product safety issues or require, in certain circumstances, the production of safety test or study results; to order recalls of products discovered to be dangerous; and it will enable HC to impose administrative penalties for non-compliance.

There will be a transitional phase of a few months before full compliance under the CCPSA is required, and importers and manufacturers are encouraged to use this time to communicate with HC any concerns they may have concerning consumer-product safety and to ensure the products they import or manufacture are and will be compliant.

3. **EMANIFEST PORTAL FOR HIGHWAY CARRIERS:** A cost-effective solution for small and medium-sized highway carriers with Advance Cargo Information (ACI) electronic reporting obligations may be the "eManifest Portal". This is a solution developed by the Canada Border Services Agency (CBSA) to facilitate communication of pre-arrival information using the internet and a web-browser. It is especially designed with those carriers in mind which, though obliged to forward-report electronically, do not have sufficient volumes of business to warrant using any of the direct, full-bore Electronic Data Interchange (EDI) CBSA hook-ups. See the CBSA eManifest sub-page for details on obtaining an eManifest Portal User Account, or for more details in general: [eManifest Portal](#)

4. **CANADIAN AUTOMATED EXPORT DECLARATION (CAED):** The CAED allows exporters or their agents to outward-report goods electronically, securely and cheaply. The latest version of the CAED is # 11.00. After 1 February, 2011 only it will be accepted. For information concerning the CAED and version 11.00, see: [Canadian Automated Export Declaration](#).

5. **CUSTOMS CONTROLLED AREAS (CCA):** As authorized under sections 11.5 and 99.4 of the *Customs Act*, regulations providing for the establishment of CCAs at airports or marine ports

or at other ports of entry have been put forward by the CBSA. The regulations will precisely designate these areas (at first, likely at the Montréal, Toronto and Vancouver airports only) and will designate those classes of person who may be granted access to a CCA, as well as who may be searched when found therein, among other things. CCAs would be designed to interdict "internal conspiracies" by allowing for effective scrutiny of persons employed, or otherwise with access to as-yet uncleared goods at ports, who might conspire with others to smuggle or introduce contraband into Canada.

6. **EDI PRE-ARRIVAL RELEASE SYSTEM (PARS) PORT OF ENTRY DIVERSIONS:** The CBSA has confirmed its practice of amending the port of entry datum on EDI PARS and INPARS requests for clearance in those cases where the shipment is diverted to a different port of entry than was originally declared.