

No. 2906

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
CANADA**

**Exchange of letters (with annexed memorandum and notice)
constituting an agreement regarding the relief from
import duty to be accorded to the Canadian Govern-
ment in respect of articles, components and raw ma-
terials imported by United Kingdom firms in pursuance
of defence contracts with the Canadian Government.
London, 31 August and 19 October 1954**

Official text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
12 September 1955.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
CANADA**

**Échange de lettres (avec, en annexe, aide-mémoire et avis)
constituant un accord relatif à l'exonération accordée
au Gouvernement canadien des droits à l'importation
pour les articles, pièces détachées et matières premières
importés par des entreprises du Royaume-Uni à l'oc-
casion de l'exécution de contrats intéressant la défense
et conclus avec le Gouvernement canadien. Londres,
31 août et 19 octobre 1954**

Texte officiel anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 12 septembre 1955.*

No. 2906. EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF CANADA REGARDING THE RELIEF FROM IMPORT DUTY TO BE ACCORDED TO THE CANADIAN GOVERNMENT IN RESPECT OF ARTICLES, COMPONENTS AND RAW MATERIALS IMPORTED BY UNITED KINGDOM FIRMS IN PURSUANCE OF DEFENCE CONTRACTS WITH THE CANADIAN GOVERNMENT. LONDON, 31 AUGUST AND 19 OCTOBER 1954

I

*Secretary of State for Commonwealth Relations to the Canadian High Commissioner
in London*

COMMONWEALTH RELATIONS OFFICE, S.W. 1

Your Excellency,

31st August, 1954

I have the honour to refer to the discussions which have taken place in London between representatives of our two Governments regarding relief from import duty to be accorded to the Canadian Government in respect of articles, components and raw materials imported by United Kingdom firms in pursuance of defence contracts with the Canadian Government. I attach a Memorandum setting out the terms reached at these discussions upon which this relief will be granted.

I have the honour to confirm on behalf of the Government of the United Kingdom the terms recorded in the Memorandum, on the understanding that they shall be subject to review if either Government so wishes.

I should be grateful if Your Excellency would confirm these terms on behalf of the Government of Canada.

I have the honour to be, Sir, Your Excellency's most obedient, humble servant,
(Signed) SWINTON

His Excellency Mr. Norman A. Robertson
Canada House

¹ Came into force on 19 October 1954 by the exchange of the said letters.

MEMORANDUM ON THE RELIEF FROM IMPORT DUTY TO BE ACCORDED TO THE CANADIAN GOVERNMENT IN RESPECT OF ARTICLES, COMPONENTS AND RAW MATERIALS IMPORTED BY UNITED KINGDOM FIRMS IN PURSUANCE OF DEFENCE CONTRACTS WITH THE CANADIAN GOVERNMENT

1. The United Kingdom Government shall give relief from import duty and where necessary Purchase Tax, on articles, components and raw materials, necessarily imported by firms in the United Kingdom for the purpose of fulfilling defence contracts placed with them by the Canadian Government. The relief shall be granted by refund of the duty or tax paid.

2. The provisions of this Memorandum do not affect existing arrangements for giving relief from Customs charges on goods imported by the Canadian High Commissioner's Office or by the Canadian Visiting Force nor do they affect the existing arrangements for obtaining relief from Purchase Tax on official supplies purchased in the United Kingdom by the Canadian Government.

3. An outline of the procedure to be followed by firms in the United Kingdom desirous of obtaining the relief is contained in the Notice attached hereto. If any of the goods concerned are liable to Purchase Tax and the importers indicate this in their application under paragraph 3 of the Notice, any special instructions necessary will be issued by H. M. Customs and Excise.

4. The Canadian contracting organisation in the United Kingdom responsible for placing the defence contracts will issue copies of the Notice to prospective contractors and will endeavour to ensure by an appropriate clause in the contract that firms take advantage of these arrangements to obtain and pass on to the Canadian Government the agreed reliefs.

5. The Canadian authorities will ensure that the Canadian organisation receiving goods on which relief is claimed will issue to the contractors duly authenticated receipts.

6. Where the amount of duty involved in any particular contract is small and the administrative burden of setting up arrangements to give relief in respect of it is unduly onerous, Her Majesty's Government in the United Kingdom reserve the right, subject to the concurrence of the Canadian Government to exclude the contract from the relief accorded under these arrangements.

NOTICE

RELIEF FROM CUSTOMS DUTY AND/OR PURCHASE TAX ON CANADIAN GOVERNMENT EXPENDITURE IN THE UNITED KINGDOM

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A. Introduction (paragraphs 1-2).

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A. INTRODUCTION

1. An agreement has been completed between the Canadian and U.K. Governments under which certain Canadian expenditures in the U. K. will be relieved from import duties and Purchase Tax under agreed procedures. The expenditures to which the Agreement applies are those incurred by the Canadian Government (or by the U.K. Government on behalf of the Canadian Government) for equipment, materials, facilities and services for the common defence effort and for the foreign aid programmes of the Canadian Government.

2. This Notice deals solely with the procedure for claiming relief from import duty and Purchase Tax to be followed by firms in the U. K. obtaining contracts for work for the purposes described above with the Canadian Government or with the U.K. Government on behalf of the Canadian Government. It does not deal with the importation of goods by traders for subsequent sale to members of the Canadian Forces.

B. RELIEF FROM IMPORT DUTY

3. *General.*—Firms tendering for contracts for work of the kind described in paragraph 1 above for which imported dutiable articles, components or raw materials are required should apply as early as possible to the Commissioners of Customs and Excise (Secretaries' Office, Section 22) at the address below for information about the reliefs including Purchase Tax which they may claim. Details of the goods proposed to be imported (or already imported—see para. 5) should be given, together with particulars of the processes (if any) to which the imported goods will be subjected before delivery under the terms of the contract and also the addresses of the premises where the accounts and stock will be kept and the work carried out.

4. *Articles, components and raw materials imported specifically for a mutual defence effort contract.*—Any relief allowed will be by way of refund, on completion of the contract, of the import duty deposited at the time of importation. The following procedure should be observed.

- (i) On importation, the goods should be entered on the appropriate form of Customs entry accompanied by the usual supporting documents and by a declaration in the following terms :—

“These goods are being imported for a mutual defence effort contract. I undertake that separate stock accounts of the receipt and disposal of these goods will be maintained and that where possible these goods will be segregated. The records kept, and the stocks will be open to inspection by an officer of Customs and Excise. I undertake to notify these requirements to any sub-contractor who may handle these goods on my behalf.”

- (ii) The declaration must be signed (a) by the actual importer, if an individual, or by a clerk in his employment if duly authorised in writing ; or (b) in the case of a private company or firm by one of the partners or by a clerk in their employment duly authorised in writing ; or (c) in the case of a limited company, by any director, by the secretary, or by any other officer of the company if duly authorised in writing by any director or the secretary. The Customs reference number of any relevant correspondence with the Commissioners under paragraph 3 above should be quoted on the declaration.
- (iii) The required amount of duty is to be paid on deposit, and the goods presented for Customs examination at the place of importation.
- (iv) During the period of storage, manufacture, process etc., any premises at which the goods are handled or the accounts etc. are kept may be visited by an officer of Customs and Excise to inspect records and to satisfy himself as to the identity and use of the goods.
- (v) When the contract has been completed, the claim for refund of the deposit should be made to Section 22, Secretaries' Office, H. M. Customs and Excise. The claim should quote the Customs reference number of any previous correspondence, and should be supported by :—
 - (a) A declaration that the imported articles etc. under reference have been used in the fulfilment of the contract.
 - (b) A detailed statement showing the total quantities of articles etc. imported for the purpose of the contract and of their disposal.
 - (c) Particulars of the port or place of importation, and the number and date of the Customs entry on which the deposit was taken.
 - (d) A reference to the contract, and written evidence that the goods contracted for have been received by the appropriate authority named in the contract.
- (vi) The Commissioners reserve the right to charge duty on any imported articles etc. not accounted for to their satisfaction.

5. *Articles, components and raw materials purchased or drawn from stocks already in the U.K.*—(i) In cases where the Commissioners of Customs and Excise after receipt of an application under paragraph 3 above, have agreed provisionally to accept an application for duty relief, on completion of the contract, on imported articles etc. drawn from duty-paid stocks in the U.K. the contractor will be required to support the claim for repayment of the duty by submitting :—

- (a) A declaration relating to the payment of duty in respect of the articles etc. in question, and to the use of the imported goods in the fulfilment of the contract.
- (b) Particulars of the port or place of importation, and the number and date of the Customs entry.
- (c) A reference to the contract, and evidence that the imported articles etc. have been handed over or incorporated etc. in goods handed over to the appropriate authorities under the terms of the contract.

The evidence submitted should normally include certificates from responsible persons in the various concerns which have handled the goods from the time of importation up to the time of use or incorporation in the goods contracted for. The certificates should wherever possible be accompanied by certified copies of any relevant receipts and invoices.

(ii) If satisfied, the Commissioners will authorise repayment of the duty to the person by whom the duty had been paid, or to a person authorised by him to receive the repayment.

Notice No. 431 (A)

King's Beam House
Mark Lane
London, E.C. 3
June, 1954

II

Canadian High Commissioner in London to the Secretary of State for Commonwealth Relations

OFFICE OF THE HIGH COMMISSIONER FOR CANADA
CANADA HOUSE, LONDON, S.W. 1

19th October, 1954

Sir,

I have the honour to refer to Lord Swinton's letter of August 31st, 1954, concerning the discussions which have taken place in London between representatives of our two Governments regarding relief from import duty to be accorded to the Canadian Government in respect of articles, components, and raw materials imported by United Kingdom firms in pursuance of defence contracts with the Canadian Government.

I have the honour to confirm on behalf of the Government of Canada the terms recorded in the Memorandum attached to Lord Swinton's letter, on the understanding that they shall be subject to review if either Government so wishes.

I am, Sir, your obedient Servant,

(Signed) N. A. ROBERTSON

The Rt. Hon. H. F. C. Crookshank, M. P.
Commonwealth Relations Office
S.W. 1