



Memorandum D10-18-1: Tariff Rate Quotas

ISSN 2369-2391

Ottawa, October 21, 2024

This memorandum provides a general overview of Tariff Rate Quotas (TRQs) and the legislation that applies to them. It also outlines guidelines for the administration of TRQs.

Plain language summary

Target audience: Importers of agricultural goods subject to tariff rate quotas.

Key content: outlines requirements for importation of goods subject to tariff rate quotas; explains when lower rates of duty apply; and when and how to obtain import permits for tariff rate quota goods.

Keywords: Imported goods, agricultural goods, tariff rate quotas, import permits.

On this page

- [Updates made to this D-memo](#)
- [Guidelines](#)
 - [General and legislative overview](#)
 - [Obtaining an import permit for tariff rate quota goods](#)
 - [First come, first serviced quota administration](#)
 - [Administrative guidelines \(for products other than wheat barley, wheat products and barley products\)](#)
 - [Inspection and release](#)
 - [Accounting \(final\)](#)
 - [Warehousing](#)
 - [Proper documentation](#)
 - [Monitoring and verification](#)
 - [Advance rulings](#)
- [Appendix: Consolidated listing of agricultural goods subject to tariff rate quotas](#)
- [References](#)
- [Contact us](#)

Updates made to this D-memo

This memorandum has been updated to:

- clarify legislation related to World Trade Organization (WTO) margarine and dairy food preparations;
- reflect the changes to Global Affairs Canada contact information;
- provide instructions on how to declare goods included on the [Import Control List](#) (ICL) using the new Commercial Accounting Declaration (CAD) process.

Guidelines

General and legislative overview

1. Agricultural goods included on the *Import Control List* (ICL), established under the [Export and Import Permits Act](#) (EIPA), are grouped into different categories, called tariff rate quotas (TRQs) each with an established import access quantity (or quota).
2. Under the TRQ system, agricultural goods are classified under within access commitment tariff items or over access commitment tariff items as provided in the List of Tariff Provisions, set out in the Schedule to the [Customs Tariff](#). Imports within the quota are subject to lower rates of duty under the within access commitment tariff items and imports over the quota are classified under the over access commitment tariff items and may be subject to a higher rate of duty. A consolidated listing of the agricultural goods subject to TRQs is provided in the Appendix to this memorandum. For the most up-to-date information regarding goods included on the ICL, importers can refer to the [Department of Justice](#) website or the [Global Affairs Canada](#) website.
3. Subsection 10(1) of the *Customs Tariff* grants the Canada Border Services Agency (CBSA) the authority to classify goods under a tariff item, in accordance with the General Rules for the Interpretation of the Harmonized System and the Canadian Rules.
4. Subsection 10(2) of the *Customs Tariff* provides that goods imported under the authority of a permit issued under section 8.3 of EIPA, in compliance with the conditions of that permit, may be classified under a within access commitment tariff item.
5. Global Affairs Canada is responsible for administering import allocations and issuing import permits with respect to agricultural goods included on the ICL. Control over imports of within access commitment TRQ goods is exercised in one of two ways: through shipment-specific permits issued by Global Affairs Canada, or under a general import permit (GIP) on a first come, first served basis administered by the CBSA.

6. The TRQ goods may be imported under the authority of either a shipment-specific import permit or a general import permit (GIP) issued by Global Affairs Canada. A shipment-specific import permit or a GIP issued under section 8.3 of EIPA is necessary for all agricultural TRQ goods to be classified under a within access commitment tariff item pursuant to subsection 10(2) of the *Customs Tariff*. A GIP issued under subsection 8(1.1) of the EIPA, such as the GIP No.100, Eligible Agricultural Goods, allows all eligible importers to import TRQ goods that are classified as over access commitment.

7. A shipment-specific import permit is not required by the CBSA to release TRQ goods but is required by Global Affairs Canada for compliance with the EIPA. Importers should refer to the [D19 Memoranda](#) series for information regarding the requirement for other types of permits in relation to these goods from other government departments.

8. It is worth noting that some over access commitment tariff items may have lesser rates of duty for certain preferential tariff treatments (e.g., UST). When this is not the case, the Most-Favoured-Nation Tariff treatment rates of duty are applied. The List of Tariff Provisions, set out in the Schedule to the *Customs Tariff*, indicates which tariff treatments are applicable to which tariff items.

Obtaining an import permit for tariff rate quota goods

9. For all agricultural TRQs, except for the following World Trade Organization (WTO) TRQ for margarine, wheat, barley, wheat products, barley products, and dairy food preparations, an importer must obtain an import allocation from Global Affairs Canada and an associated valid shipment-specific permit issued by Global Affairs Canada under subsection 8.3(1) of the EIPA for individual shipments against this allocation, prior to importation of the TRQ goods. That is, an importer who received an allocation of the available quota from Global Affairs Canada must obtain an import permit which allows, subject to the conditions of the permit being met, goods to be classified under an applicable tariff item that is subject to the lower, within access commitment rate of duty.

10. For WTO margarine, wheat, barley, wheat products, barley products, and dairy food preparations, where there is no import allocation and the quota has not been exceeded, Global Affairs Canada shall, pursuant to subsection 8.3(2) of the EIPA:

- (a) issue a shipment-specific import permit when an application has been received on a first come, first served basis, until the quota has been filled (i.e., WTO margarine and dairy food preparations); or
- (b) issue a general import permit (GIP) to any resident of Canada in other cases (i.e. WTO wheat, barley, wheat products, and barley products), which applies on a first come, first served basis to all imports until the quota has been filled.

11. In addition, Global Affairs Canada may, pursuant to subsection 8.3(3) of the EIPA:

- (a) issue supplemental import permits to any applicant and
- (b) issue a GIP to import supplemental quantities under the within access commitment tariff items.

First come, first served quota administration

12. The four agricultural TRQ categories of wheat, barley, wheat products, and barley products, are not subject to prior import allocations or shipment-specific import permits. The TRQs for these goods are administered on a marketing year basis (August 1 to July 31). Quota control is managed through two GIPs which are cited on the Commercial Accounting Declaration (CAD) C-type, entry paperwork required by the CBSA when goods are accounted for GIP No. 20 covers imports at the applicable within access commitment rate of duty until the quota has been filled. Once filled, GIP No. 20 ceases to apply in respect of the goods, at which time GIP No. 100 starts to apply. GIP No. 100 covers unlimited imports after the quota has been filled, but all imports under GIP No. 100 are assessed at the applicable rates of duty, which are generally the over access commitment rates of duty. The CBSA determines whether the quota has been filled by calculating imports of these goods at the time of final accounting. Therefore, any shipment of goods under these first come, first served TRQ that is released and accounted for, under subsection 32(1), (3), or (5) of the [Customs Act](#) on or before the day and time on which the quota is filled, is classified as within access commitment.

13. The two agricultural TRQs for WTO margarine and dairy food preparations are subject to shipment-specific import permits. The TRQs for these goods are administered on a calendar year basis (January 1 to December 31). Shipment-specific import permits are issued by Global Affairs Canada on a first-come, first-served basis until the quota has been filled. Once the TRQ is filled, importers may use GIP No. 100 and these imports will be assessed at the applicable rates of duty, which are generally the over access commitment rates of duty.

14. More information on the wheat, barley, wheat products and barley products TRQs and the application of paragraph 8.3(2)(b) of the EIPA is provided in the [Memorandum D10-18-6: Wheat, Barley, Wheat Products and Barley Products Tariff Rate Quotas](#).

Administrative guidelines (for products other than wheat, barley, wheat products and barley products)

Inspection and release

15. While Global Affairs Canada requests that an importer obtains a permit prior to release for compliance with the EIPA, the availability of a shipment-specific import permit is not a condition of release for the CBSA. Border services officers will release any shipment of TRQ goods, even in the absence of a permit. However, if no permit has been obtained by the date of final accounting under subsection 32(1), (3), or (5) of the [Customs Act](#), the goods will be classified under the applicable over access commitment tariff item.

16. Although a shipment-specific import permit is not required by the CBSA to obtain release, border services officers may question the importer about agricultural goods that are included on the ICL and, when irregularities are noted, officers will refer the

transaction to the Trade Compliance Division for review following final accounting. When there is any uncertainty regarding the nature or quantity of the TRQ goods, clarification will be obtained from the importer before the goods are released and samples may be taken for laboratory analysis.

17. Border services officers will ensure, to the extent possible, that the descriptions provided by the importer for agricultural goods that are included on the ICL or that may be covered by the ICL are appropriate for tariff classification purposes.

Accounting (final)

18. To be entitled to the within access commitment rates of duty, at the time of final accounting under subsection 32(1), (3), or (5) of the *Customs Act*, an importer is required to provide the specific import permit number in Field 81 (special Authority Permit) of the Commercial Accounting Declaration (CAD) C-type.

19. When an import permit issued under section 8.3 of EIPA is not obtained, TRQ goods are deemed imported under the authority of GIP No. 100, classified under the applicable over access commitment tariff item, and subject to the higher, over access commitment rates of duty.

20. When an importer has neglected to obtain an import permit and the TRQ products are assessed at the rates of duty under the applicable over access commitment tariff item, the importer should be aware that Global Affairs Canada does not generally issue permits after importation and final accounting have occurred.

21. An importer should provide in the Notes field (field 35) of the CAD C-type the number of any tariff classification, origin, or valuation ruling obtained on TRQ products under the National Customs Ruling (NCR) Program or Advance Ruling (AR) Program.

22. The conditions of the permit, including its validity, must be met in order for an importer to claim the applicable within access commitment tariff item. An import permit is valid for 30 days: 25 days from the date of issuance and 5 days prior to the date of issuance.

23. Importers should refer to *Memorandum D10-18-6: Wheat, Barley, Wheat Products and Barley Products Tariff Rate Quotas* for more information on the applicable accounting procedures for first come, first served TRQ goods.

Warehousing

24. TRQ goods may be stored in a customs bonded warehouse in the same manner as other goods. However, except for TRQ Beef and Veal (see paragraph 25), before TRQ goods are put into a customs bonded warehouse, an importer should obtain from Global Affairs Canada a shipment-specific import permit for the goods. The validity of the permit, more particularly its time limit, is assessed against the date of the Type 10 warehouse transaction. This warehouse transaction requires an importer to complete

the tariff classification field. If a shipment-specific import permit has not been obtained from Global Affairs Canada or is no longer valid, the applicable over access commitment tariff item for the goods must be used by the importer when completing the Type 10 warehouse transaction.

25. Beef and veal that do not come from Chile or a Canada-United States-Mexico Agreement (CUSMA) country (TRQ Beef and Veal) may be stored in a customs bonded warehouse using GIP No. 100. However, a shipment-specific import permit must be obtained before these goods are taken out of the customs bonded warehouse in order for them to be classified under the applicable within access commitment tariff item. Beef and veal originating in Chile or a CUSMA country are not subject to TRQs or import permit requirements.

26. Importers should refer to [Memorandum D7-4-4: Customs Bonded Warehouses](#) for more information on the warehousing of TRQ goods.

Proper documentation

27. The same information must appear on both the import permit and the customs transaction documents or CAD C-type. For example, there must not be any discrepancy between the net weight or quantity amount on the permit and what is declared on the customs invoice. The word “net” for customs classification purposes means excluding only such packing materials or packing containers that are clearly suitable for repetitive use and that are not classified with the goods. Any weight or quantity imported in excess of what is authorized by the permit will be assessed at the applicable over access commitment rate of duty.

28. Substitution is not acceptable. When goods described in the customs documents or records do not match some or all of the goods listed on the import permit, those goods not listed on the permit must be classified under the applicable over access commitment tariff item.

29. The automated system called EXCAPS (Global Affairs Canada/Customs Automated Permit System) allows for the transmission of permit information directly from Global Affairs Canada to the CBSA. When this system is available for particular TRQ goods, an importer does not need to submit a hard copy of the permit. An importer who deals with non-terminal offices is still required to present a hard copy of the permit to the CBSA. Global Affairs Canada issues a transaction record to the importer or broker to serve as confirmation that the permit was issued.

Monitoring and verification

30. The CBSA coordinates monitoring and verification activities with Global Affairs Canada to ensure that TRQ goods are classified properly. Reviews based on selective targeting and referrals from Global Affairs Canada are conducted and, when non-compliance is found, tariff classification is adjusted or the matter is referred for further audit or investigation, which can result in Administrative Monetary penalties (AMPS).

This focus on enforcement activity for TRQ goods is necessary to allow domestic producers the intended level of protection of the quotas. For more information on AMPS please refer to [Memorandum D22-1-1: Administrative Monetary Penalty System](#).

Advance rulings

31. For greater certainty regarding the tariff classification of goods, an importer may request an advance ruling. Details on how to make such a request are found in [Memorandum D11-11-3: Advance Rulings for Tariff Classification](#).

Appendix: Consolidated listing of the agricultural goods subject to tariff rate quotas

The following are categories agricultural goods included in the [Import Control List](#) that are subject to tariff rate quotas (TRQs), including the import control number, associated general descriptions, and tariff item numbers as provided in the List of Tariff Provisions, set out in the Schedule to the *Customs Tariff*. Refer to the *Import Control List* (paragraphs 94 to 196), for the most up-to-date information regarding these categories of goods:

- Broiler hatching chicks and eggs (94 and 95)
- Chicken: live, meat and products (96 to 104)
- Turkey: live, meat and products (105 to 113)
- Beef and veal (114 to 116)
- Milk and cream (117 and 117.1)
- Concentrated or condensed milk and cream (118 to 120, and 122)
- Buttermilk (123 and 124)
- Other products of milk constituents (125 to 125.2)
- Other dairy products (121 and 126 to 131)
- Ice cream (132 to 134)
- Eggs and egg products (135 to 139)
- Margarine (140)
- Cheeses (141 to 157)
- Yogurt (158 and 158.1)
- Butter and others (159 to 160)
- Wheat (161)
- Wheat products (162 to 181)
- Barley (182)
- Barley products (183 to 191)
- Goods classified under Heading No. 98.04 or 98.26 of the list of tariff provisions set out in the Schedule to the *Customs Tariff* (192)
- Cut roses and rose buds (193)

- Other cuts of swine (194) [Repealed, SOR/2011-157]

References

Consult these resources for further information.

Applicable legislation

- [Customs Act](#), Subsections 32(1), (3), (5) (1985, C.1 (2nd Supp.))
- [Customs Tariff](#), Subsections 10(1), (2) (1997, C.36)
- [Export and Import Permits Act](#), Subsections 8(1.1) and 8.3(1), and paragraphs 8(2)(a) and (b), (3)(a) and (b) (R.S., 1985, C.E-19)
- [Import Control List](#)

Related D memoranda

- [Memorandum D7-4-4: Customs Bonded Warehouses](#)
- [Memorandum D10-18-4: Importation of Certain Agricultural Products and the Import Control List \(ICL\)](#)
- [Memorandum D10-18-6: Wheat, Barley, Wheat Products and Barley Products tariff rate quotas](#)
- [Memorandum D11-11-3: Advance rulings for tariff classification](#)
- [Memorandum D19-10-2: Administration of the Export and Import Permits Act \(Importations\)](#)
- [Memorandum D22-1-1: Administrative Monetary Penalty System](#)

Superseded D memoranda

Memorandum D10-18-1 dated August 12, 2016

Issuing office

Other Government Departments Program
Commercial Analysis, Research and Engagement Division
Commercial Program Directorate
Commercial and Trade Branch

Contact us

[Contact border information services](#)

More information on import allocations and permits for TRQ goods is available at:

Global Affairs Canada

125 Sussex Drive

Ottawa, ON K1A 0G2

Telephone: 343-203-6820

Non-supply managed trade controls (TNC): exttott-tnc@international.gc.ca

Supply-managed trade controls (TPC): exttott-tpc@international.gc.ca

For more information about the agricultural products included on the ICL, please contact:

Tariff Policy Unit

Trade Policy Division

Canada Border Services Agency

222 Queen Street, 4th Floor

Ottawa, ON K1A 0L8

Telephone: 613-957-1468

Fax: 613-952-3971