



Ottawa, October 6, 2004

MEMORANDUM D18-3-1

In Brief

REPORTING AND ACCOUNTING OF EXCISE DUTIES ON IMPORTED TOBACCO, TOBACCO PRODUCTS, WINE AND SPIRITS, AND RELEASE OF THOSE GOODS

This Memorandum contains procedures and information for commercial importations of wine, spirits, raw leaf tobacco and tobacco products on or after July 1, 2003.



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REPORTING AND ACCOUNTING OF EXCISE DUTIES ON IMPORTED TOBACCO, TOBACCO PRODUCTS, WINE AND SPIRITS, AND RELEASE OF THOSE GOODS

This Memorandum provides information on the reporting and submission of customs documentation requesting release and final accounting of imported alcohol and tobacco under the *Customs Act*.

GUIDELINE AND GENERAL INFORMATION

1. The information in this Memorandum provides guidelines only. It does not replace or amend legislation, regulations or other memoranda. For further information on completing and submitting customs documentation, refer to Memorandum D17-1-10, *Coding of Customs Accounting Documents*.
2. The *Excise Act, 2001*, effective July 1, 2003, is a revised federal commodity taxation system for the application of federal excise levies for alcohol and tobacco products. The *Excise Act* applies to beer and the *Excise Act, 2001* applies to all other alcohol and tobacco. For information on the *Importation of Intoxicating Liquors Act* refer to Memorandum D3-1-3.
3. According to sections 21.1 and 21.2 of the *Customs Tariff*, imported spirits and wine are subject to additional customs duty equivalent to the excise duty which would otherwise be payable if the spirits or the wine had been manufactured in Canada. Imported tobacco products and raw leaf tobacco are subject to excise duty levied under the *Excise Act, 2001* that is paid and collected under the *Customs Act*. When more than one possible rate of excise duty is applicable to a single customs tariff classification number, the excise duty rate is reported on customs documentation using the excise tax field (refer to Appendix).
4. Beer has not been included under this new legislation.
5. One of the major changes introduced by the *Excise Act, 2001* is the requirement for the importer to have an endorsement (licences, registrations) for possession of non-excise duty paid spirits, wine and tobacco. Importers must be endorsed (licensed) at the time of importation. These endorsements must be obtained from the Regional Excise Duties offices of Canada Revenue Agency (CRA). Note: imported spirits and wine are subject to additional customs duty equivalent to excise duty, imposed by the *Customs Tariff*. Imported tobacco products and raw leaf tobacco are subject to excise duty that is levied under the

Excise Act, 2001, but paid and collected under the *Customs Act*.

6. The carriers must be registered by the Regional Excise Duties offices of CRA for the transportation of bulk spirits and bulk wine or specially denatured alcohol, that are released from Customs.
7. Duty Free Shops may possess non-excise duty paid packaged beverage wine and spirits without a licence. However, they must possess a licence issued under the *Excise Act, 2001* in order to possess and sell imported cigarettes, tobacco sticks, and other manufactured tobacco.
8. In-transit procedures do not change. Alcohol and tobacco in transit through Canada will follow the same procedures and practises as they do today. For further information, please refer to the D-3 Memoranda series.

Release

9. For every importation of alcohol, other than beer, and for raw leaf and partially manufactured tobacco, customs will verify, at the time of release, that the importer has the appropriate endorsement. Where the customs database has not been updated with the endorsement file for the importer, the release request will be rejected. In these instances, the importer or their broker may present to customs a copy of their actual letter of authorization, which will be accepted for release purposes.
10. All existing release options are available to importers of alcohol, other than beer, and for raw leaf and partially manufactured tobacco providing the appropriate endorsement is on file.
11. Importers of samples of wine and spirits which are imported to solicit sales, must present a letter of permission from the appropriate Provincial Liquor Jurisdiction to obtain release of these products. This requirement means that the release request must be presented under a paper release option. Importers of sacramental wine do not require an endorsement. For further information, refer to Memorandum D3-1-3.

Accounting

12. Importers have the following two options at the time of accounting for release:
 - (a) Pay all customs duties, GST/HST and excise duties; or
 - (b) Pay customs duties, GST/HST and defer the amount equivalent to excise duty, levied under the *Customs Tariff*, by declaring delivery of the packaged wine, packaged spirits, raw leaf tobacco, and tobacco

products to an excise warehouse immediately after release from Customs. This declaration is made by placing the excise warehouse licence number, user's licence number, the tobacco licence number or tobacco dealer licence number, where appropriate, in field 26 of the release request, and B3 *Canada Customs Coding Form*. The amount equivalent to excise duty, levied on imported packaged wine and spirits under the *Customs Tariff*, then becomes payable under the *Excise Act, 2001*. (NB: Licensed tobacco dealers may use their licence only in relation to raw leaf importations or partially manufactured tobacco in order to claim exemption from the excise duty. The raw leaf tobacco does not go into an excise warehouse. Tobacco licensees may import raw leaf and partially manufactured tobacco exempt from excise duty by quoting their excise duty licence but the raw leaf does not go into an excise warehouse – just to their manufactory. Raw leaf tobacco may be entered into a customs bonded warehouse (CBW), even if it is to be released to a tobacco licensee or a licensed tobacco dealer.)

13. Bulk spirits or bulk wine may only be imported on an excise duty deferred basis by a spirits licensee (SL), wine licensee (WL) or licensed user (UL) under their applicable licence.

14. Customs will confirm the importer's endorsement (licence, registration) for importations of tobacco and alcohol, other than beer, prior to release from Customs. Importers of samples of wine and spirits, imported to solicit sales, must have permission from the appropriate Provincial Liquor Jurisdiction.

15. For the purposes of field 26 of the customs documentation, the required licence format that must be submitted is either 99-XXX-99999 or 99-XX-99999. All digits must be input in the special authority field 26 of the Customs documentation. For example, if your licence is 99-EWL-1 then the number to go in the special authority field is 99-EWL-00001.

16. The *Customs Act* legislative and administrative framework for importing and accounting including penalties, interest and enforcement action, will apply to alcohol and tobacco until the time of release and final accounting to customs. After release from customs, the provisions of the *Excise Act, 2001* will apply as if the goods were domestic goods. Imported spirits and wine released from Customs with relief from the payment of the amount equivalent to excise duties (imposed under sections 21.1, and 21.2 of the *Customs Tariff*) will be treated the same as domestic goods under the *Excise Act, 2001* for the purposes of collecting those amounts and in relation to all other provisions of that Act.

17. The tobacco licensee (TL), the tobacco dealer licensee (TDL) as well as those firms importing wine and spirits

must enter their appropriate tobacco licence, tobacco dealer's licence, excise warehouse license, users licence, wine licence or spirits licence in the special authority field (field 26) on Form B3, *Canada Customs Coding Form*. As a result, the additional duty equal to excise duty payable to customs is relieved and becomes payable under the *Excise Act 2001* as an excise duty.

18. The *Excise Act, 2001* does not impact the current process for reporting and accounting for imported wine, spirits and tobacco products for duty free shops, ships' stores, accredited representatives (e.g. embassies), and for export.

19. When completing customs accounting documentation, please use the chart in the Appendix to determine if the excise duty should be reported in the duty field or the excise tax field.

20. Section 117 of the *Customs Act* is amended so that there is no return of alcohol and tobacco unless the goods were seized in error.

21. Section 119.1 of the *Customs Act* allows the Minister to sell forfeited alcohol and tobacco to a person with the appropriate license under the *Excise Act, 2001*. However, as a matter of policy, alcohol or tobacco that is seized, forfeited or abandoned may not be sold unless it was abandoned wine or spirits placed in a customs bonded warehouse. Wine or spirits abandoned at a customs bonded warehouse may be sold to authorities entitled to import wine or spirits in accordance with the D4-1-6, *Disposal of Abandoned and Forfeited Goods*.

Warehouses

22. The following information pertains to Sufferance Warehouse, Customs Bonded Warehouses and Excise Warehouses as follows:

(a) Sufferance Warehouse

(i) Under the *Excise Act, 2001* all importers of alcohol (other than beer) and tobacco must be endorsed (licence, registration) by Excise. These goods can only enter a customs bonded warehouse for delivery to: Ship's Stores, Duty Free Shops, Accredited Representatives and Export. Alcohol and tobacco for domestic consumption must either be cleared at the border or transported in-bond to a sufferance warehouse for clearance. Importers can either obtain their own sufferance warehouse licence (type SL) or have these goods delivered to a sufferance warehouse that is approved to store these types of goods (i.e. highway sufferance warehouse). Tobacco products and spirits constitute a class of goods that are forfeit if they are not removed from a sufferance warehouse within the allowable time period.

(ii) For further information on Sufferance Warehouses refer to Memorandum D4-1-4.

(b) Customs Bonded Warehouses

(i) Except for beer, since July 1, 2003 importers are no longer able to store imported packaged alcohol, tobacco products and cigars, in customs bonded warehouses for subsequent release into Canada. The international airlines may import packaged beverage spirits and wine for use on international flights and store these goods in the customs bonded warehouse. Only these airlines may use a B3 type 20 accounting document. No endorsement is required for alcohol or tobacco entered into the customs bonded warehouse. Imported packaged spirits and wine may also be supplied to domestic flights if they are fully duty and GST/HST paid.

(ii) This means that as of July 1, 2003, spirits and wine intended for the Canadian domestic market must be removed from the customs bonded warehouse and the goods accounted to Customs. (NB: Tobacco products were not permitted to be in the customs bonded warehouses prior to July 1, 2003 if they were intended for the Canadian domestic market.) Only non-duty paid and marked tobacco products destined for non-duty paid situations and imported raw leaf tobacco were permitted to be in a customs bonded warehouse. Since July 1, 2003, only imported raw leaf may be possessed in a customs bonded warehouse.

(iii) Since July 1, 2003, imported packaged beverage alcohol, other than beer, can enter a customs bonded warehouse only for delivery to:

- Ships' Stores
- Duty Free Shops
- Accredited Representatives
- For export

(iv) For further information on Customs Bonded Warehouses, refer to Memorandum D7-4-4.

(c) Customs and the Excise Warehouses

(i) The introduction of excise warehouses allows for the deferral of the payment of the amount equivalent to excise duty, and the portion of the GST/HST calculated on the excise duty amount, that is levied under the *Customs Tariff* on imported packaged spirits and wine.

(ii) Excise duties on raw leaf tobacco and tobacco products are levied under the *Excise Act, 2001* and collected under the *Customs Act*. Importers with a valid tobacco license or tobacco dealer license may place the licence number in field 26 of the Customs accounting documentation and defer the payment

of the excise duty, and the GST calculated on the excise duty amount. The excise duty then becomes payable under the *Excise Act, 2001*. (NB: Imported tobacco products and cigars that go to the Excise warehouse must be unstamped and may not be destined for the duty-paid market.)

(iii) The excise warehouse licence number must be indicated on the customs accounting documentation at the time the imported goods are released under the *Customs Act*. These goods must be entered into the excise warehouse immediately after release from customs. It is not possible to obtain a refund of the amount equivalent to excise duty using the excise warehouse licence number after final accounting to customs.

(iv) Imported packaged wine and spirits released from Customs and placed in an excise warehouse, that are supplied as Ships' Stores must be transferred to the excise warehouse of the ships' stores operator. There is no transfer from an excise warehouse to a customs bonded warehouse.

(v) The excise warehouse may be located at the same physical premise as the customs bonded warehouse and/or the sufferance warehouse. However, imported goods located in each warehouse must be easily identifiable from goods stored in any of the other warehouses located within the same physical premises. For example, beer entered into the customs bonded warehouse must remain segregated from any other goods located in either the sufferance warehouse or goods in the excise warehouse located within the same physical premises.

Drawback

23. Drawback is available for customs duty when imported wine, spirits, tobacco and tobacco products released from customs, are duty paid and supplied to:

- (a) Ship's Stores
- (b) Duty Free Shop
- (c) Accredited Representatives
- (d) For export

24. A drawback claim, accompanied by waivers (since either the importer or exporter can claim but not both), can be filed with Customs. There can be no drawback of the amount equivalent to excise levied under the *Customs Tariff* when this amount has been paid under the *Excise Act, 2001* (e.g. entered into an excise warehouse immediately after release from Customs). Refer to Memorandum D7-4-2 for further information on drawbacks.

Refunds of Excise Duties Incorrectly Paid at the Time of Accounting

25. Importers may claim refunds of certain excise duties incorrectly paid at the time of Customs release and accounting.
26. This administrative policy applies to licensed importers of products subject to excise duty under the *Excise Act, 2001*. These importers are issued an Excise Licence by the Regional Excise Duties offices of Canada Revenue Agency (CRA) which allows them to defer excise duties otherwise payable at the time of importation.
27. Occasionally, importers that possess a valid excise licence will, for one reason or another, incorrectly account and pay their excise duties at the time of importation. Under the terms of their licence, these importers may also be required to account for their excise duties directly with Excise, CRA at the time the goods are entered into consumption. Therefore, the excise duties paid to Customs at the time of accounting would result in a duplicate payment of the applicable duties.
28. There is no provision within the *Excise Act, 2001* to offset the excise duties paid at the time of entry on imported goods, nor are there any provisions to allow Excise to refund the duties erroneously paid to Customs. However, Customs will consider a request for refund of the excise duties under the *Customs Act* as an incorrect calculation of duties owing based on a clerical, typographical or similar error.
29. Importers that want to claim a refund of those duties paid in error must submit their claims to Customs. Claims must be submitted in the prescribed form and manner as outlined in Memorandum D6-2-3, *Refund of Duties*.
30. Since the formula and syntax of the Excise Licence Numbers (normally shown in the "Special Authority" field (26) of the Form B3, *Canada Customs Coding Form*) are not compatible with the Customs Adjustment Processing System (CCS – APRO), importers are requested to show special authority code **87-074E2001** in field 20 of the "as claimed" line of the Form B2, *Canada Customs – Adjustment Request*.
31. Under "Justification for Request", the importer should state that the claim is for a "Refund of Excise Duties" under paragraph 74(1)(d) of the *Customs Act*, with an explanation that the excise duties were paid in error at the time of accounting and should have been accounted under Excise Licence Number 99-XX-99999. A copy of the valid licence authorization issued by the Regional Excise Duties office of CRA must accompany the request.
32. This refund policy does not apply to the additional duty equivalent to excise duty imposed under the *Customs Tariff* and collected under the *Customs Act* for packaged wine and packaged spirits. The deferral of those duties is subject to the condition of immediate removal from customs sufferance to a licensed excise warehouse. To meet this requirement, the receiving excise warehouse must be indicated at the time of release from customs sufferance. If the excise licence is NOT indicated at the time of release, refund of the excise duties SHALL NOT BE ALLOWED.
33. Licensed importers who avail themselves of this procedure are reminded that the excise duties payable must be accounted for under the terms of their respective licence. Failure to do so may result in assessments, interest and/or penalties being imposed under the *Excise Act, 2001*.
34. If you require any additional information on the refund policy under the *Customs Act*, contact:

Senior Program Advisor, Trade Incentives and Refunds Unit
Admissibility Branch
Canada Border Services Agency
150 Isabella Street
Ottawa ON K1A 0L8

Denatured Alcohol and Specially Denatured Alcohol

35. The Commercial Import Sampling Initiative (CISI) has been developed to incorporate the *Excise Act, 2001* provisions for denatured alcohol (DA) and specially denatured alcohol (SDA). Only a specially denatured alcohol registrant or a spirits licensee (SL) may import specially denatured alcohol.
36. Samples of DA and SDA must be tested to determine whether the product is denatured or specially denatured alcohol. When declaring imported DA and SDA, the importer must make it available for sampling at the time of importation and before it is released. There are classification numbers to distinguish DA from SDA.
37. Denatured alcohol or specially denatured alcohol that falls outside the meaning of the *Excise Act, 2001*, classified under tariff classification number 2207.20.19.00 or denatured spirits classified under tariff classification 2207.20.90.00 of the *Custom Tariff*, are subject to an additional duty equal to excise duty rate of \$11.066 per litre of absolute ethyl alcohol (LPA). Effective immediately, for customs accounting purposes, importers are required to input the \$11.066 rate, for either of these goods, in the Excise Tax Rate field, field #34 of the B3, *Canada Customs Coding Form*.
38. For additional information, refer to the Web site: www.cbsa.gc.ca/E/pub/cm/cn521/cn-521-e.html.

39. Please direct enquiries regarding the Commercial Import Sampling Initiative (CISI) to:

Senior Project/Program Officer
Commercial Import Sampling Initiative
Tariff Classification and International Nomenclature
Division
Admissibility Branch
Canada Border Services Agency
10th floor, Killeany Place
150 Isabella Street
Ottawa ON K1A 0L8

Rates of Excise Duty on Tobacco Products

40. Tobacco Products – Duty Rates (*Excise Act, 2001*)

(a) All Provinces and Territories – Regular Domestic Markets

	Excise Duty	Additional Duty
Cigarettes	\$0.396255 per five or fraction of five cigarettes	N/A
Tobacco sticks	\$0.057983 per stick	N/A
Manufactured tobacco (other)	\$53.981 per kilogram	N/A
Raw leaf tobacco	\$1.572 per kilogram	N/A
Cigars	\$14.786 per 1,000 cigars	greater of \$0.065 per cigar and 65%*

* 65% of the Canadian manufacturer's sale price or of the duty paid value, if imported.

(b) Unstamped Canadian Tobacco Products and Foreign Tobacco Products imported as "traveler's tobacco"

Product Category	Excise Duty	Special Duty
Cigarettes	N/A	\$0.075 per cigarette
Tobacco sticks	N/A	\$0.055 per stick
Other manufactured Tobacco (excluding cigars)	N/A	\$0.05 per gram

Rates of Excise Duty on Spirits (*Excise Act, 2001*)

41. Spirits: \$11.066 per litre of absolute ethyl alcohol contained in the spirits.

42. Spirits containing not more than 7% absolute ethyl alcohol by volume: \$0.2459 per litre of spirits.

43. Special excise duty on spirits: \$0.12 per litre of absolute ethyl alcohol contained in the spirits when imported for or by a licensed user.

Rates of Excise Duty on Wine (*Excise Act, 2001*)

44. In the case of wine that contains not more than 1.2% of absolute ethyl alcohol by volume: \$0.0205 per litre.

45. In the case of wine that contains more than 1.2% of absolute ethyl alcohol by volume but not more than 7% of absolute ethyl alcohol by volume: \$0.2459 per litre.

46. In the case of wine that contains more than 7% of absolute ethyl alcohol by volume: \$0.5122 per litre.

Special Excise Duty

47. Section 133 of the *Excise Act, 2001* imposes a special excise duty of 12 cents per litre of absolute ethyl alcohol (LPA) on imported spirits to be paid when the spirits are delivered to or imported by a licensed user (UL). This amount is to be paid and collected under the *Customs Act* when spirits are imported by a licensed user (UL).

48. Customs has created a "dummy" classification number 0099.99.99.99 with customs duty as free, excise duty rate of 12 cents LPA and 7% GST calculated and payable on the excise duty rate of 12 cents. The UL authorized importer must report and pay the 12 cents LPA on imported spirits. The UL is required to submit this information on a separate line of the customs entry documentation.

Further Information

49. For further information regarding customs entry and accounting contact your Customs regional client service office.

50. For information regarding the *Excise Act, 2001* refer to <http://www.cra-arc.gc.ca/menu/WEmenuKXD.html> or contact your regional excise policy officer.

51. Contact Information:

Shelagh Heatlie
Duty Deferral Unit
Admissibility Branch
Canada Border Services Agency
150 Isabella Street
Ottawa ON K1A 0L8

APPENDIX

Due to systems limitation, when more than one rate of excise duty is applicable to a single customs tariff classification number, the excise duty rate is reported on customs documentation using the excise tax field. Importers should enter the applicable excise duty in the excise duty field or the excise tax field according to the table below when completing customs accounting documentation.

Some tariff items have a different unit of measure for the payment of customs duties than for the payment of excise duties. An example of this is tariff item 2206.00.92.20 where the unit of measure (UOM) for customs duties is LPA (litres per alcohol) and the unit of measure for the payment of excise duty is LTR (litres). In this circumstance the paper entry subsystem will take the user to the extended screen, and the user may input the units of measures (two fields # 30) and the quantity (field 29) in one line of the entry document.

When an excise tax code (CADEX) is used, the excise rate is mandatory for tobacco products, wine and spirits. If external clients have questions about the electronic presentation of B3 accounting documents, they can contact the Electronic Commerce Unit, Client Services Division, Operational Policy and Coordination Directorate, at **1-888-957-7224**.

Product	Classification number	Excise duty	Excise tax 1	Excise tax 2	Excise tax 3
Cigars	2402.10.00.10 2402.10.00.90	\$14.786	E21: \$0.065 (S)	E1: 65% (V)	
Cigarettes	2402.20.00.10 2402.20.00.20		E2 : \$79.251/1000		
Tobacco sticks	2402.20.00.10 2402.20.00.20		E22: \$57.983/1000		
Raw leaf tobacco	All tariff items under heading 2401.	\$1.572/KGM			
Manufactured tobacco Other	All tariff items under heading 2403 except 2403.99.20.00	\$53.981/KGM			
Sparkling Wine of an alcoholic strength not exceeding 22.9% vol.	2204.10.10.00		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other sparkling wine	2204.10.90.00	\$11.066/litre of absolute alcohol			
Wine of an alcoholic strength by volume not exceeding 13.7% vol.	2204.21.10		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre

Product	Classification number	Excise duty	Excise tax 1	Excise tax 2	Excise tax 3
Other wine with an alcoholic strength by volume exceeding 13.7% vol. but not exceeding 22.9%	2204.21.21 2204.21.22 2204.21.23 2204.21.24 2204.21.25 2204.21.26 2204.21.27 2204.21.28 2204.21.31	\$0.5122/litre			
Other wine of an alcoholic strength exceeding 22.9% vol.	2204.21.32	\$11.066/litre of absolute alcohol			
Grape must of an alcoholic strength by volume not exceeding 22.9% vol.	2204.21.41		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Grape must of an alcoholic strength exceeding 22.9% vol.	2204.21.49	\$11.066/litre of absolute alcohol			
Wine of an alcohol strength by volume not exceeding 13.7% vol.	2204.29.10		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Wine of an alcoholic strength by volume exceeding 13.7% but not exceeding 22.9%	2204.29.21 2204.29.22 2204.29.23 2204.29.24 2204.29.25 2204.29.26 2204.29.26 2204.29.27 2204.29.28 2204.29.31	\$0.5122/litre			
Wine of an alcohol strength by volume exceeding 22.9% vol.	2204.29.32	\$11.066/litre of absolute alcohol			
Grape must of an alcohol strength by volume not exceeding 22.9% vol.	2204.29.41		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Grape must of an alcoholic strength by volume exceeding 22.9% vol.	2204.29.49	\$11.066/litre of absolute alcohol			

Product	Classification number	Excise duty	Excise tax 1	Excise tax 2	Excise tax 3
Other grape must of an alcoholic strength by volume not exceeding 22.9% vol.	2204.30.10		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other grape must of an alcoholic strength by volume exceeding 22.9% vol.	2204.30.90	\$11.066/litre of absolute alcohol			
Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances of an alcoholic strength not exceeding 18.3% vol.	2205.10.10		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances of an alcoholic strength exceeding 18.3% but not exceeding 22.9% vol.	2205.10.20	\$0.5122/litre			
Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances of an alcoholic strength by volume exceeding 22.9% vol.	2205.10.30	\$11.066/litre of absolute alcohol			
Other – of an alcohol strength by vol. not exceeding 18.3%	2205.90.10		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other – of alcohol strength by vol. exceeding 18.3% but not exceeding 22.9% vol.	2205.90.20	\$0.5122/litre			
Other – of an alcohol strength by vol. exceeding 22.9% vol.	2205.90.30	\$11.066/litre of absolute alcohol			
Sparkling cider of an alcoholic strength by volume not exceeding 22.9% vol.	2206.00.11		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other sparkling cider	2206.00.12	\$11.066/litre of absolute alcohol			

Product	Classification number	Excise duty	Excise tax 1	Excise tax 2	Excise tax 3
Other cider – of an alcoholic strength by volume not exceeding 22.9% vol.	2206.00.18		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other cider of an alcoholic strength exceeding 22.9% vol.	2206.00.19	\$11.066/litre of absolute alcohol			
Prune wine of alcohol strength by volume not exceeding 22.9% vol.	2206.00.21		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Prune wine of alcohol strength by volume exceeding 22.9% vol.	2206.00.22	\$11.066/litre of absolute alcohol			
Perry, sparkling of an alcoholic strength by volume not exceeding 22.9% vol.	2206.00.31		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Perry, sparkling of an alcoholic strength exceeding 22.9% vol.	2206.00.39	\$11.066/litre of absolute alcohol			
Other wine, sparkling of an alcoholic strength by volume not exceeding 22.9% vol.	2206.00.41		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other wine, sparkling of an alcoholic strength by volume exceeding 22.9% vol.	2206.00.49	\$11.066/litre of absolute alcohol			
Sake and other wine, not sparkling, of an alcoholic strength by volume not exceeding 13.7% vol.	2206.00.50		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre

Product	Classification number	Excise duty	Excise tax 1	Excise tax 2	Excise tax 3
Sake and other wine, not sparkling, of an alcoholic strength by volume exceeding 13.7% vol. but not exceeding 22.9% vol.	2206.00.61 2206.00.62 2206.00.63 2206.00.64 2206.00.65 2206.00.66 2206.00.67 2206.00.68 2206.00.71	\$0.5122/litre			
Sake and other wine, not sparkling, of an alcoholic strength by volume exceeding 22.9% vol.	2206.00.72	\$11.066/litre of absolute alcohol			
Ginger beer and herbal beer	2206.00.80		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Mead	2206.00.91		Of an alcoholic strength not exceeding 1.2% E10 \$0.0205/litre	Of an alcoholic strength exceeding 1.2% but less than 7% E11 \$0.2459/litre	Of an alcoholic strength exceeding 7% E12 \$0.5122/litre
Other fermented beverages of an alcoholic strength by volume not exceeding 22.9% by vol. Effective Jan 1, 2004 Alcohol strength not more than 1.2% Alcohol strength more than 1.2% but less than 7% Alcohol strength more than 7%	2206.00.92 2206.00.92.10 2206.00.92.20 2206.00.92.30	 <u>\$0.0205/litre</u> <u>0.2459/litre</u> <u>\$0.5122/litre</u>			
Other fermented beverages of an alcoholic strength by volume exceeding 22.9% vol.	2206.00.93	\$11.066/litre of absolute alcohol			

Product	Classification number	Excise duty	Excise tax 1	Excise tax 2	Excise tax 3
Undenatured ethyl alcohol of an alcoholic strength by volume of 80% or higher	2207.10.10 2207.10.90	\$11.066/litre of absolute alcohol			
Specially denatured ethyl alcohol	2207.20.11	None			
Denatured ethyl alcohol	2207.20.12				
Other, denatured ethyl alcohol	2207.20.19		E35 \$11.066/litre of absolute alcohol		
Other, denatured spirits	2207.20.90		E 35 \$11.066/litre of absolute alcohol		
Undenatured ethyl alcohol of an alcoholic strength by vol. of less than 80% vol.	2208.20.00 2208.30.00 2208.40.10 2208.40.20 2208.50.00 2208.60.00 2208.70.00 2208.90.10 2208.90.21 2208.90.29	\$11.066/litre of absolute alcohol			
Angostura bitters	2208.90.30	none			
Packaged spirituous fruit juices of an alcoholic strength by volume not exceeding 7% vol.	2208.90.41	\$0.2459/litre			
Other Fruit brandies	2208.90.49 2208.90.92	\$11.066/litre of absolute alcohol			
Other, of an alcoholic strength by volume not exceeding 7%	2208.90.98	\$0.2459/litre			
Other	2208.90.99	\$11.066/litre of absolute alcohol			
Vinegar and substitutes for vinegar obtained from acetic acid	2209.00.00	none			

REFERENCES

<p>ISSUING OFFICE –</p> <p>Duty Deferral Unit, Admissibility Branch</p>	<p>HEADQUARTERS FILE –</p>
<p>LEGISLATIVE REFERENCES –</p> <p><i>Customs Act, Customs Tariff, Excise Act, 2001</i></p>	<p>OTHER REFERENCES –</p> <p>D2-3-6, D3-1-3, D4-1-6, D5-1-1, D7-4-2, D7-4-4, D17-1-10, D17-1-22, D18-2-1</p>
<p>SUPERSEDED MEMORANDA “D” –</p> <p>N/A</p>	

Services provided by the Canada Border Services Agency are available in both official languages.

