

INB365 Homework

B3 Calculations – Fishing World

Scenario:

You are the owner of “Fishing World”. At the suggestion of a business associate you have decided to investigate the importation of certain fishing knives. The first item you would like to import is fillet Knives with fixed blades. In order to determine if the cost of imported fillet knives is competitive with Canadian made fillet knives you must calculate the duties and taxes associated with the importation of this product. Additional details are as follows:

Number of units: 10000 fillet knives
Cost per unit: \$ 100.00 USD
Exchange rate: \$1 USD = \$1.45 CAD
Tariff Treatment: MFN
GST Rate: standard 5%

Using the Customs Tariff page and information provided you are asked to ...

- (1) calculate the VFCC, VFD, CD, VFT, GST and TDTP for 10000 fillet knives, and
- (2) Complete all B3 fields involved in (1).
- (3) If Canadian made fillet knives have a cost price of \$95.00 CAD with GST included should you import US made fillet knives?



FISHING WORLD ANSWER SHEET

1. Calculate the VFCC, VFD, CD, VFT, GST AND TDTP

a. $\frac{VFC}{C} = 10000 \times 100 = 1000000 \text{ USD}$

b. $VFD = 1000000 \times 1.45 = 1450000 \text{ CAD}$

c. $CD = 1450000 \times 7\% = 101500$

d. $VFT = 1450000 + 101500 = 1551500$

e. $GST = 1551500 \times 5\% = 77575$

f. $\text{TDTP} = 77575 + 101500 = 179075$

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2. Calculation to see what is the cheaper knife to buy:

Canadian knife is cheaper

3. Therefore, based on the imported calculations of 162.91 per knife and the Canadian Manufacture knife of \$95.00

including GST,

the importer should by Canadian

$$100 \times 1.45 = 145 \text{ CAD}$$

$$179075 \div 10000 = 17.91$$

$$145 + 17.91 = 162.91$$

21 LINE LIGNE 1	22 DESCRIPTION DÉSIGNATION Fillet Knives	23 WEIGHT / KGM POIDS / KGM	24 NUMBER - NUMERO PREVIOUS TRANSACTION - TRANSACTION ANTÉRIEURE	25 LINE - LIGNE	26 SPECIAL AUTHORITY AUTORISATION SPECIALE				
27 CLASSIFICATION NO. N° DE CLASSEMENT 8211.92.00	28 TARIFF CODE TARIFAIRE	29 QUANTITY QUANTITÉ 10000	30 U - M	31 VFD CODE CODE VD	32 SIMA CODE CODE DE LMSI	33 RATE OF CUSTOMS DUTY TAUX DE DROIT DE DOUANE 7	34 E.T. RATE TAUX T.A.	35 RATE OF GST TAUX DE TPS	36 VALUE FOR CURRENCY CONVERSION CONVERSION VALEUR POUR CHANGE
37 VALUE FOR DUTY VALEUR EN DOUANE	38 CUSTOMS DUTIES DROITS DE DOUANE	39 SIMA ASSESSMENT COTISATION DE LMSI	40 EXCISE TAX TAUX D'ACCISE	41 VALUE FOR TAX VALEUR POUR TAUX	42 GST TPS				
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37 VALUE FOR DUTY VALEUR EN DOUANE 1450000	38 CUSTOMS DUTIES DROITS DE DOUANE 101500	39 SIMA ASSESSMENT COTISATION DE LMSI	40 EXCISE TAX TAUX D'ACCISE	41 VALUE FOR TAX VALEUR POUR TAUX 1551500	42 GST TPS 77575				
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DECLARATION - DÉCLARATION

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OF

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PLEASE PRINT NAME - LETTRES MOULÉES S.V.P.

IMPORTER / AGENT - IMPORTATEUR / AGENT

DECLARE THE PARTICULARS OF THIS DOCUMENT TO BE TRUE, ACCURATE AND COMPLETE.

DÉCLARE QUE LES RENSEIGNEMENTS CI-DESSUS SONT VRAIS ET COMPLETS.

DATE

SIGNATURE

43 DEPOSIT - DÉPÔT

44 WAREHOUSE NO. - N° D'ENTREPÔT

45 CARGO CONTROL NO. - N° DE CONTRÔLE DU FRET

46 CARRIER CODE AT IMPORTATION
CODE DE TRANSPORTEUR À L'IMPORTATION

47 CUSTO MS DUTIE S DROITS DE DOUAN E	101500
48 SIMA ASSESSME NT COTISATIO N DE LMSI	
49 EXCISE TAX TAXE D'ACCISE	
50 GS T TP S	77575
51 TOTAL	179075

CUSTOMS TARIFF - SCHEDULE

Tarifi Item	SS	Description of Goods	Unit of Meas.	MFN Tariff	Applicable Preferential Tariffs
B210.00.90		--Other		Free	CCCT, LDCT, GPT, UST, MT, MUST, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, KRT, CEUT, UAT: Free
	10	--Appliances which chop, cut, slice, mince or shred food.....			
	20	--Can openers..	-		
	90	--Other.....	-		
52.".1		Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 82.08, and blades therefor.			
8211.10		-Sets of assorted articles			
8211.10.10 00		--Table cutlery		11%	CCCT, LDCT, UST, MT, MUST, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, CEUT, UAT: Free GPT: 8% KRT: 2%
8211.10.90 00		--Other		7%	AUT, NZT, CCCT, LDCT, GPT, UST, MT, MUST, GIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, KRT, CEUT, UAT: Free
		-Other:			
8211.91		--Table knives having fixed blades			
8211.91.1 0 00		--Carving knives		7%	CCCT, LDCT, GPT, UST, MT, MUST, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, KRT, CEUT, UAT: Free
0211.91.90 00		--Other		11%	CCCT, LDCT, UST, MT, MUST, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, CEUT, UAT: Free GPT: 8% KRT: 2%
8211.92.00 00		--Other knives having fixed blades		7%	AUT, NZT, CCCT, LDCT, GPT, UST, MT, MUST, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, KRT, CEUT, UAT: Free

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