

June 19, 2018

Dear Recipient:

**RE: Whisky Tariffs**

On May 31, 2018 the Government of Canada issued a Notice of Intent to impose countermeasures against the United States in response to tariffs on Canadian steel and aluminum products. Included in the proposed products subject to Canadian countermeasures are American whiskies. More details can be found at <https://www.fin.gc.ca/activty/consult/cacsap-cmpcaa-eng.asp>.

The Notice includes American whiskies as one of the products that will potentially be subject to a 10 per cent surtax or similar trade-restrictive measure effective July 1, 2018, with the surtax to remain in place until the U.S. eliminates its trade-restrictive measures against Canada. The countermeasures will not apply to goods in transit to Canada on the day the countermeasures come into force. The AGLC continues to monitor the countermeasures being considered by Canada. If Canada proceeds to impose these measures on American whiskies, the AGLC will start collecting and paying the 10 per cent surtax in the same manner as it handles customs duties. The surtax will be deducted from your consignment payment at the time of customs clearance and will be reimbursed when the product is sold to licensees.

The AGLC price update deadlines will remain unchanged and you can update prices as normal through the LAP Portal. Agencies may adjust their prices as a result of the possible 10 per cent surtax, however there may be a timing difference between your price change and when we implement the 10 per cent surtax for whisky shipments from the U.S. We will update our systems to take effect the first business day after July 1, 2018.

We appreciate your understanding as we prepare for the proposed countermeasures. Since they are currently proposed only, there is limited information available and the AGLC has no further details at this time. Please monitor the proposed countermeasures and how they may impact your product(s).

For Customs & Excise related questions please contact Corinne Chateau, Customs & Excise Supervisor at (780) 447-7570. For Product Pricing related questions please contact Caroline Kloet, Pricing Clerk at (780) 447-8675.

Yours truly,

Daniel Carrick-Specht CPA, CA, DIFA  
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Liquor Services

Copy: Jody Korchinski, Vice President, Liquor Services, AGLC