

November 27, 1989

MEMO TO: R. BRENNALL

RE: IMPORTED CIGARETTES,
U.K. TO CANADA

Example requested: 555's Vancouver
Canadian Duty Paid Market

| | <u>Per 1,000</u> <u>Cigarettes</u> |
|---|---------------------------------------|
| <u>Basis:</u> U.K. supplier price: assume - | |
| - Pound Sterling price CIF Vancouver | £ 15.00 |
| - Freight value included | .50 |

Laid-Down Cost of Product

| | |
|---|------------|
| - U.K. supplier price | £ 15.00 |
| - <u>Canadian Value</u> - Exchange @ 2.00 | \$ 30.00 |
| Less: Freight value included in supply price | - 1.00 |
| <u>Net Base for Import Duty</u> | \$ 29.00 |
| Import duty @ 20.0% | 5.8000 |
| Federal Excise Duty | 27.4750 |
| <u>Duty-Paid Value - base for F.S.T.</u> | \$ 62.2750 |
| Federal Sales Tax @ 19.0% | 11.8323 |
| Federal Excise Tax | 21.3760 |
| Add-Back: Freight deducted above | 1.0000 |
| <u>Laid-Down Cost</u> (before distribution, trade margins, etc.) | \$ 96.4833 |

Provincial Taxes - British Columbia

1. Provincial Tobacco Tax: Current Rate \$ 50.00
- Payable by wholesaler.
2. Provincial Sales Tax: Current rate 6.0% but,
this tax is not applicable on tobacco
products for this Province at the present
time. (This tax does apply to tobacco products
in several other Provinces at the final retail
value - all taxes included.)

Should you require further data, please advise.

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