

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Special Distribution

Committee on Government Procurement

ARTICLE IX:6(b) NEGOTIATIONS

Information Concerning Rules of Origin and the Treatment of High-Priced Bids

Note by the Secretariat

Addendum

The delegation of Canada has submitted the following replies by letter dated 19 July 1984.

I. RULES OF ORIGIN

- (a) What origin rules are presently applied by the Parties in the context of government procurement?

Canada does not apply rules of origin which differ from those applied in the normal course of trade at the time of importation to imports of the same products from the same Parties. A product will be considered wholly or substantially from a Party named as the country of origin if the product was finished in the form required by the tender in that Party and not less than one half the cost of production was produced by the industry of one or more Parties to the Agreement. If the origin of a product is in question, the entity may request a potentially successful supplier to provide a certificate of origin which may be obtained from the responsible department or agency of a signatory country.

- (b) How do the Parties treat products originating in non-Parties to the Agreement?

Canadian content premiums may be applied in cases where products offered are wholly or substantially from non-signatories.

II. TREATMENT OF HIGH-PRICED BIDS

What are the modalities in national laws and practices to deal with situations in which all bids are regarded by an entity as unreasonably high?

If bids are regarded as unreasonably high, they will be cancelled and the tender re-issued following an examination of possible reasons such as misinterpretation of specifications.