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**CHINA – ADDITIONAL IMPORT DUTIES
ON CERTAIN AGRICULTURAL AND FISHERY PRODUCTS FROM CANADA**

REQUEST FOR THE ESTABLISHMENT OF A PANEL BY CANADA

Revision

The following communication, dated 23 May 2025, from the delegation of Canada to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

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1. On 20 March 2025, the Government of Canada requested consultations with the Government of the People's Republic of China ("China") pursuant to Articles 1 and 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU) and Article XXII:1 of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") with respect to additional import duties imposed by China on certain Canadian products pursuant to a domestic "antidiscrimination investigation".
 2. Canada held consultations with China on April 23, 2025 with a view to reaching a satisfactory resolution of the matter. Unfortunately, those consultations failed to settle the dispute.

I. Background

3. This request relates to additional duties announced by China on March 8, 2025, pursuant to an investigation under the *Foreign Trade Law of the People's Republic of China*. That investigation, termed an "antidiscrimination investigation", purported to determine that Canada was discriminating against Chinese products and recommended "countermeasures" in the form of additional import duties. The additional duties, which cover a range of agricultural and fishery products and impose an *ad valorem* import duty of 100% on some products and 25% on others, came into effect on March 20, 2025.
4. China's antidiscrimination investigation and subsequent imposition of countermeasures on products from Canada is a unilateral action that flies in the face of the well-established rules for resolving disputes under the multilateral trading system. China's decision to proceed unilaterally in this manner is in direct contravention of the fundamental obligation on WTO Members to seek recourse to the dispute settlement processes set out in the Understanding on the Settlement of Disputes (DSU) when seeking redress for alleged violations of the covered agreements. China's actions have denied Canada due process and its right to defend itself against any alleged inconsistencies with the covered agreements. In addition, China's unilateral actions have deprived the broader WTO Membership of any role in the dispute settlement process and stripped the Dispute Settlement Body of its crucial function of facilitating a satisfactory resolution of the dispute.
5. Canada made its request for consultations with reference to Article 4.8 of the DSU, which indicates that for matters of urgency, including in respect of perishable goods, consultations should take place within 10 days of the request for consultations, and, if the consultations fail to resolve the dispute, a request for establishment of a panel can be made 20 days after the date of the request for consultations. As the products covered by China's additional import duties

are agricultural and fishery products which are, by their very nature, perishable goods, Canada considers that the expedited timelines set out in Articles 4.8 and 12.8 of the DSU apply.

II. Measures at Issue

6. The measures at issue in this request include:

- a. The Foreign Trade Law of the People's Republic of China (2022 Amendment), including Articles 7, and 35 through 39;
- b. Ministry of Commerce Announcement on the Anti-discrimination Investigation on Canada's Restrictive Measures on China, Announcement No. 40 of 2024 of the Ministry of Commerce, September 26, 2024;
- c. Comment Form on the Anti-discrimination survey of Canada, Announcement No. 40 of 2024 of the Ministry of Commerce, September 26, 2024, attachment;
- d. Publication of the Determination in the Anti-discrimination Investigation of Certain Restrictive Measures taken by Canada against China, Announcement No.11 of 2025 of the Ministry of Commerce, March 8, 2025;
- e. Findings on the Anti-Discrimination Investigation into Canada's Restrictive Measures, Announcement No. 11 of 2025 of the Ministry of Commerce, Attachment, March 8, 2025;
- f. Announcement of the State Council Customs Tariffs Commission regarding Imposition of Additional Tariffs on Imports of Certain Products from Canada, Tariff Commission Announcement No. 3 of 2025, March 8, 2025;
- g. Attachments 1 and 2 to the Announcement of the State Council Customs Tariffs Commission regarding Imposition of Additional Tariffs on Imports of Certain Products from Canada, Tariff Commission Announcement No. 3 of 2025, Attachments 1 and 2, March 8, 2025;
- h. The Customs Law of the People's Republic of China and the Tariff Law of the People's Republic of China, (2021 Amendment) in particular, Chapter V governing the evaluation and collection of tariffs on imports;
- i. The Tariff Law of the People's Republic of China, in particular, Articles 7.6 and 7.7, providing authority for the Tariff Commission to impose additional tariffs on imports;
- j. The Regulation of the People's Republic of China on the Place of Origin of Import and Export Goods (2019 Revision);
- k. Import and Export Tariff Schedule of the People's Republic of China (2025), Tariff Commission Announcement No. 13 of 2024, Attachment;
- l. Other laws and regulations associated with the implementation process of duty collection at customs, including:
 - i. Enterprise Income Tax Law of the People's Republic of China (2018 Amendment);
 - ii. Interim Regulation of the People's Republic of China on Value Added Tax (2017 Revision); and
 - iii. Interim Regulation of the People's Republic of China on Consumption Tax (2008 Revision);

and any amendments, successor, replacement or implementing measures and any exemptions applied or other related measures or instruments.

III. WTO Obligations at Issue

7. Canada considers the measures at issue, operating separately or together, to be inconsistent with China's obligations under:
 - a. Article 23.1 of the DSU because China has failed to have recourse to, and abide by, the rules and procedures of the DSU, in a situation where it seeks redress of an alleged violation of obligations under a covered agreement;
 - b. Article 23.2(a) of the DSU because China made a unilateral determination of a violation of WTO obligations by Canada, and imposed countermeasures in response to alleged discriminatory treatment by Canada without engaging the dispute settlement processes set out in the DSU and, consequently, in the absence of findings contained in an adopted panel report or arbitration award rendered under the DSU;
 - c. Article 23.2(b) of the DSU, read in conjunction with Article 21 of the DSU, because by unilaterally suspending concessions against Canada, China failed to obtain the authorization of the DSB according to the procedures set out in Article 21.3 of the DSU;
 - d. Article 23.2(c) of the DSU, read in conjunction with Article 22 of the DSU, because by unilaterally suspending concessions on a discriminatory basis against Canada, China failed to follow the procedures set forth in Article 22 of the DSU and to obtain DSB authorization in accordance with those procedures before suspending obligations under a covered agreement in response to the alleged failure of Canada to implement DSB recommendations and rulings;
 - e. Article I:1 of the GATT 1994, because China has applied additional import duties on certain agricultural and fishery products originating in Canada that have not been levied on products originating in the territory of other WTO Members and has thereby failed to extend immediately and unconditionally to Canada any advantage, favour, privilege or immunity granted by China with respect to customs duties and charges of any kind imposed on or in connection with the importation of products originating in the territory of other Members, as well as with respect to the method of levying such duties and charges and the rules and formalities in connection with importation;
 - f. Article II:1(a) of the GATT 1994 because the measures at issue fail to accord to the commerce of Canada treatment that is no less favourable than that provided in China's Schedule of Concessions that is annexed to GATT 1994;
 - g. Article II:1(b) of the GATT 1994 because China has imposed duties on imports of certain agricultural and fishery products in excess of the duties set forth and provided in China's Schedule of Concessions and Commitments annexed to the GATT 1994, and has failed to exempt products of Canada subject to the measures at issue from ordinary customs duties in excess of those set forth and provided in the China's Schedule of Concessions and Commitments annexed to the GATT 1994 and from all other duties or charges in excess of those imposed on the date of the GATT 1994 or those directly and mandatorily required to be imposed thereafter by legislation in force in China on that date.
8. China's measures described above nullify or impair benefits accruing to Canada directly or indirectly under the cited agreements. Moreover, the measures nullify and impair the benefits accruing to Canada in the sense of Article XXIII:1(b) of the GATT 1994.
9. Canada therefore requests the Dispute Settlement Body to establish a panel to examine this matter with standard terms of reference, as set out in Article 7.1 of the DSU, pursuant to Articles 4.7 and 6 of the DSU, and Article XXIII of the GATT 1994.
10. Canada also asks that this request be heard at special meeting of the Dispute Settlement Body, scheduled to be held on June 5th, 2025.