

Government Relations

Goal	Tactics
Intelligence gathering/Early Warning System	<ul style="list-style-type: none"> ○ Political monitoring and reporting to FDFA Board ○ Monitoring of committees, debates, and government announcements for issues relevant to FDFA ○ Advocacy articles for relevant internal publications/newsletters
Establishing Relationships, building and protecting the FDFA brand	<ul style="list-style-type: none"> ○ Coordinate meetings to reintroduce FDFA and its role in Canadian tourism with key departmental officials at CBSA, Transport Canada, Destination Canada, Finance Canada, Health Canada, and Statistics Canada ○ Coordinate meetings to reintroduce FDFA and key issues with key Ministers' offices, including Small Business and Tourism, Public Safety, Finance, Health Canada, and Transport Canada ○ Launch ongoing awareness activities with Members of Parliament and Senators, including those on key committees (Finance, Industry, Public Safety), border MPs, and those involved in the parliamentary tourism caucus ○ Produce and distribute regular issue papers, newsletters and updates to MPs and Senators
Grassroots mobilization	<ul style="list-style-type: none"> ○ Coordinate MP store visits during parliamentary breaks for member stores ○ Design grassroots activity kit to provide resources to individual members to engage with decision makers ○ Pushpolitics Digital Advocacy tool to encourage direct emailing of MPs and Senators by stores and customers
Stakeholder Relations	<ul style="list-style-type: none"> ○ Ongoing outreach with key FDFA partners (RCC, TIAC, Chambers of Commerce, etc.) to identify areas of mutual interest and coordinate common responses where possible ○ Engage with stakeholders to highlight FDFA perspective and need for additional support where applicable ○ Identify new stakeholders/allies and develop new strategic partnerships (e.g. tourism providers)

Government Relations – Main Issues

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Visitor Rebate Program	Visitors to Canada pay HST on most purchases, such as clothes and consumer goods. To encourage greater cross-border spending, the government should rebate sales taxes on goods that are taken from Canada by visitors. Such a program should be simple and offer immediate refunds. To maximize benefit, it could be administered by duty free stores, where evidence suggests that revenues will be spent in Canada.
Protecting and enhancing Duty Free Store Program	Highlighting utility and value to government of land border duty free store program to ensure its continued presence and expansion. Allow for greater range of products to be eligible for sale to help grow the industry and encourage tourism in Canada.
Tobacco sales issues	<p>Tobacco is second largest seller at duty free shops in Canada. Tobacco sales have been decreasing since 2008 due the increase in excise tax, government regulations and contraband tobacco.</p> <ul style="list-style-type: none"> • Excise tax - Increases in excise tax to reduce smoking have impacted duty free tobacco sales. All products sold at are duty free stores including tobacco and alcohol are exported directly to the US, therefore duty free stores should be exempt from tobacco excise tax. • Contraband Tobacco - Contraband tobacco is a major problem in Canada, and comes at the expense of legitimate businesses. FDFA members operate in a heavily regulated environment, but compete with illicit retailers and criminals. • Opposing Expansion of Tobacco Packaging Regulations - Proposed new packaging regulations could restrict availability of Cigars and affect sales. <p>The ultimate goal will be to have duty free stores exempt from tobacco excise tax and regulations due to their ‘export’ nature.</p>
CBSA	Duty free store licensing - D-4-3-2 memorandum.
Liquor labelling requirements in Ontario	LCBO is the importer on record for liquor in Ontario and ultimately responsible for the quality control of the products. All products including the duty free stores’ 1 litre bottles have to be compliant. The LCBO provide labelling service to the duty free stores at a very high cost that is no longer sustainable for the stores. This issue has affected millions of dollars in sales and will greatly affect the capacity of the duty free store to sell unstandardized liquor or flavoured alcoholic beverages at competitive retail prices.
Personal Exemptions	The government should increase personal exemption to encourage cross-border spending sector and the tourism industry.

Government Relations – Secondary Issues

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Emphasizing “Export” nature of Land Border Duty Free Stores	Products sold through duty free stores are almost exclusively for export from Canada. When they are re-imported, they count as part of the personal exemption. Government should pursue tax exemptions/rebate models that allow for true duty free purchases, including for products like alcohol, tobacco and gasoline. Doing so would help repatriate purchases into Canada.
Preserving De Minimis Threshold	Increasing the amount that Canadians can purchase internationally before facing additional duties will have a negative impact on Canadian retailers. Any changes that are made should also be reflected in same day personal exemptions. Changes to De Minimis in the USMCA should have limited impact on FDFA members.
Continental Trade	The USMCA is an important step towards continued continental trade, but the relationship remains chaotic. FDFA should support the free movement of people and goods across the border wherever possible.
Border infrastructure and crossing times	Travelers that face long waits at the border are less likely to come to Canada by car, if at all. Ensuring that regular travellers benefit from fast border crossings will help Canadian destinations be competitive with US jurisdictions in attracting travellers