

Canadian Jewellers Association



May 2, 2006 - for immediate release

Toronto – The Canadian Jewellers Association (CJA) is pleased to announce that our industry is finally rid of the jewellery Excise Tax – once and for all – effective today, May 2, 2006.

The Budget text reads as follows, *“Originally conceived as a tax on luxury goods, this characterization is no longer valid. Jewellery is available at all price levels and is purchased by a wide range of Canadian households. Repeal of the Excise Tax will recognize this and ensure that the Canadian jewellery industry is able to compete on a fair and equitable basis with other retail and manufacturing businesses in Canada. It will also serve to reduce the compliance burden on the jewellery industry, a particular benefit to small businesses.”*

“We are delighted that the Conservative government has ended the inequity and confusion inherent in the Excise Tax in the content of Minister Flaherty’s Budget,” says Morris Robinson, Chair, CJA Government Relations Committee. Robinson reports that the CJA’s invitation to attend the highly confidential “watch” session earlier today was a strong indicator that the news would be positive. “The process is quite fascinating, no cell phone use, locked in a room with other invitees and the media with no external conversation until the Budget is read. I was honoured to attend,” says Robinson.

There was a combination of factors that led the government to grant the full repeal. The CJA worked with the knowledge that we now have a Prime Minister who supported the Tax’s total elimination through his letter delivered to the CJA prior to the election. In that letter, it states that, *“... a Conservative government will respect the clearly understood will and intent of Parliament and repeal the Excise Tax in its entirety on jewellery, watches and clocks as soon as possible after we form the Government.”* The CJA thanks Prime Minister Harper for keeping his campaign promise to the industry.

Robinson’s recent meeting with Finance Minister Flaherty netted solid direction and understanding from the Minister that the anomaly that resulted with C-43 and C-259 and the resulting CRA ruling were creating havoc across our industry. “We believed he wanted to correct the confusion and finally level the playing field for all jewellery categories,” says Robinson.

This vote of confidence to our industry is the result of many group and individual efforts, specifically to the Prime Minister for honouring his campaign promise to our sector, to the Finance Minister who ensured manufacturers and retailers and indeed the entire industry can move forward, former MP John Duncan for his drafting of Bill C-259 and to Senator Consiglio DiNino for his skill in marshalling the Bill through the Senate. As a positive note to today’s announcement Robinson notes that the major opposition parties have indicated support as we move through to the Budget’s passing and implementation.

CJA President Mo Charania reinforces Robinson’s comments. As the former Chair of the Committee Charania well knows the many challenges and incarnations this repeal effort has taken. “Our industry have all been champions; past-presidents, directors, our hard-working members and many MPs from all parties who have worked with us on this file and we must salute them,” says Charania.

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