

Your Guide to Understanding
**Canadian Import
Requirements**

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Introduction

An international sale to a company in Canada requires compliance with a variety of import regulations and procedures. All goods entering Canada are subject to requirements by the Canada Border Services Agency.

This guide will assist you with your imports into Canada. The focus is on understanding regulations and procedures as they relate to the most complex part of the import process, customs clearance.

Because the U.S. - Canada trade relationship is the largest in the world, the focus of this booklet is on the movement of these shipments, however, much of the information contained in this document relates to import shipments regardless of where the goods originate.

This tool is not meant to be an all-inclusive guide regarding importing into Canada, and the information that follows is not intended to provide specific legal or other professional advice. For detailed information specific to your requirements, please contact a Livingston representative.

Livingston International Inc. is the largest customs broker and trade services company facilitating two-way trade between the U.S. and Canada. Managing over 2.5 million shipments every year valued at over \$70 billion, Livingston offers a complete range of services to help companies manage their trade processes effectively and in compliance with ever-changing regulations. With an extensive network of offices in both countries, Livingston International is the market leader in trade consulting, as well as software solutions, cross-border transportation and international freight forwarding services.

For more information on Livingston, please refer to the last section of this guide or visit our web site at www.livingstonintl.com.

Key Players in the Import Process

The Exporter

The exporter — also known as the shipper or vendor — is responsible for shipping the goods and generally supplies the documentation needed to send the goods to Canada. This includes the preparation of:

- Packing List
- Bill of Lading
- Commercial Invoice
- Canada Customs Invoice (CCI)
- Certificates of origin if applicable (e.g. NAFTA certificate of origin, Form A certificates of origin)

These documents are given to the carrier who then presents them to the customs broker as selected by you.



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The Carrier

The carrier is the person or company that transports the goods and is responsible for preparing a cargo control document (CCD) — also known as a manifest, waybill or advice note — to report the shipment to the Canada Border Services Agency (CBSA). The CCD is submitted by the carrier to the customs broker, along with the paperwork provided by the exporter. The carrier's manifest is prepared from the shipper's bill of lading.



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The Customs Broker

Customs brokers carry out customs-related responsibilities on your behalf.

Customs broker services include:

- obtaining the release of imported goods (**release**)
- arranging payment of the duties and taxes (**accounting**)
- paying carrier charges on your behalf
- obtaining, preparing and presenting/transmitting the necessary customs release documents or data required by the CBSA and other government departments
- arranging any OGD releases when required



[Livingston Can Help – Canada & U.S. Customs Brokerage Services](#)

The Importer

You, as the importer of record, are responsible for payment of all duties and taxes to the Canada Border Services Agency (CBSA), the accuracy of the information presented to the CBSA, and are ultimately liable for any fines or penalties resulting from missing or inaccurate information.

You are also responsible for ensuring you have all the necessary import permits and special certificates. In most cases, you will hire a customs broker to obtain this information on their behalf.

You are required to keep books and records to substantiate what goods were imported, the quantities, the prices paid, and the goods' origin. These records must be kept in Canada, in either paper or electronic format, for six years plus the current calendar year. You can obtain written prior approval from the CBSA to maintain these books outside of Canada. If Customs chooses to audit these records outside of Canada, you must pay for all expenses (travel, accommodation, etc.) of the customs officers to travel to the location where the files are maintained.

Canada Border Services Agency (CBSA)

Canada Border Services Agency (CBSA) is the government body responsible for ensuring compliance with Canada's trade and border legislation and regulations. It is also responsible for ensuring that all "other government department" requirements are met before goods are permitted to enter Canada.

All necessary customs documentation for imports into Canada are submitted to the CBSA for approval to "release" the goods into Canada. The CBSA reserves the right to deny access of your goods into the country, to search or request additional information on all goods imported into Canada.

The CBSA maintains a profile on all importers into Canada. This profile will impact:

- Your ability to participate in special CBSA initiatives designed to either simplify or speed the release of imports; and
- The speed of release due to examinations of import shipments.

Future CBSA Service Requirements

In the future, the CBSA will require that a carrier submit a cargo report, which includes the manifest and conveyance information electronically, prior to the shipment's arrival. Each mode of transport has different requirements in terms of how far in advance of the arrival of the shipment you must submit the electronic information. Please refer to the table below. In the fall of 2005 you will be required to provide complete release information electronically in advance, which will include the full 10-digit HS classification code on all commodities contained in the shipment. The time frame to provide this information is shown below.

Mode of Transport	Goes into effect	Documents required in advance of shipment arrival
Marine	April 19, 2004	24 hours
Air	Spring 2005	4 hours
Rail	Spring 2005	2 hours
Truck	Fall 2005	1 hour

Other Government Department Requirements

The CBSA assists other government departments (OGDs) in the administration of their legislation as it relates to the importation, in-transit movement and exportation of various commodities through the management of over 30 different OGD government Acts and regulations. Some goods that are subject to OGD requirements may require permits and certificates and are subject to Customs examinations. Goods subject to OGD requirements cannot be released from Customs control until all required documents are produced and any necessary inspections are completed.

The following is a list of OGDs:

- Atomic Energy Control Board
- Canadian Food Inspection Agency (CFIA)
- Canadian Grain Commission (CGC)
- Canadian Heritage
- Canadian Wheat Board
- Environment Canada
- Canadian Wildlife Service (CWS)
- Fisheries and Oceans
- Department of Foreign Affairs and International Trade (DFAIT)
- Health Canada, Industry Canada
- International Boundary Commission
- Department of Justice Canada
- Natural Resources Canada
- Transport Canada

Documentation Basics

What are Customs Documents?

Customs documents are any group of documents required by the Canada Border Services Agency (CBSA) and Other Government Departments (OGD's) to accurately and completely identify goods that are being imported. Canada, like every country, has its own specific rules and regulations regarding information and documents required.

Subject to Customs or OGD approval, you can use varying document formats or combinations of documents provided that you comply with Customs information requirements. Any missing or incorrect information may cause shipment delays and other import issues.

In order to import goods into Canada, the following documentation must accompany each shipment:



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For imports valued at \$1,600 and greater (CDN)

If the value of your import is \$1,600 (CDN) or greater, the documentation needed to import your goods to Canada is as follows:

- 1) Bill of Lading
- 2) Carrier's Manifest (Cargo Control Document)
- 3) Canada Customs Invoice or Commercial Invoice
- 4) Import permits, certificates or licenses (as required)
- 5) Any other documents that may be needed to present to Customs to satisfy the CBSA requirements or the requirements of other government departments.
- 6) Certificate of Origin (if applicable)

For Imports valued under \$1,600 (CDN)

If the value of your import is less than \$1,600 (CDN), the documentation needed to import your goods to Canada is as follows:

- 1) Bill of Lading
- 2) Carrier's Manifest (Cargo Control Document)
- 3) Commercial Invoice
- 4) Import permits, certificates or licenses (as required)
- 5) Any other documents that may be needed to present to Customs to satisfy the CBSA requirements or the requirements of other government departments.
- 6) Certificate of Origin (if applicable)

Bill of Lading

The bill of lading is a document issued by a shipper/exporter to a carrier describing the goods to be shipped, acknowledging their receipt, and stating the terms of the contract for their carriage. The shipper is responsible for completing the bill of lading and providing the completed document to the carrier at the time the shipment is sent.

The carrier signs a copy of the bill of lading before departure as evidence of the transfer of goods from exporter to carrier. The shipper should forward to you a copy of the bill of lading in order to arrange for the pickup of the goods, and a third copy is kept for the carrier's records.

Manifest

The manifest identifies the shipper, consignee, shipment packing, weight and general description of the goods as the carrier's report to Customs. The manifest is also known as a cargo control document (CCD). The most commonly used type of manifest is highway Form A8A.

The carrier prepares the manifest based on the bill of lading provided by the shipper. The carrier must provide your customs broker with a manifest in order for them to obtain a release from Customs, except in the case of a PARS shipment (see Border Release Programs).

A manifest or CCD has its own identifier called a cargo control number (CCN). Once submitted and accepted by Customs, the manifest and cargo control number are monitored by Customs to ensure the properly closed out by a customs release.

Packing List

The packing list is the detailed list of contents of the shipment, including quantities, items, model numbers, dimensions, net and gross weights. A packing list should specify per carton (or crate), the number / type of units of material inside. The shipper prepares the packing list at the time the goods are prepared for shipping. There is no standard format for packing lists.

Although not a required customs document, the packing list is often used by Customs and your customs broker to obtain additional information about the shipment.

Commercial Invoice

A commercial invoice is the basic document from which you pay the vendor or exporter.

With respect to import shipments, the commercial invoice generally serves a dual purpose: to enable the exporter to collect his/her money, and to assist you in clearing the goods through customs. A commercial invoice is sufficient documentation for clearance of goods valued less than \$1,600 (CDN).

The commercial invoice does not need to conform to a rigid format. The exporter or manufacturer is free to layout the information in any style they choose, provided that the prescribed data elements found on the Canada Customs Invoice are included. In addition, the following information must be clear, accurate and precise:

- Exporter name and address
- Consignee name and address
- Description of goods
- Net and gross weights
- Unit price
- Extended price
- Currency of settlement
- Terms of delivery and terms of payment
- Shipping date
- Reference numbers
- Import licenses
- Freight included or excluded
- Country of origin

Canada Customs Invoice

A Canada Customs Invoice (CCI) is one document that can be used to declare your goods to Customs when importing into Canada. The CCI is important in determining the classification of the goods, the value for duty, tax and duty rate, and tariff treatment.

Note: A commercial invoice can be used to clear customs as long as all of the required information contained in the CCI are captured and provided to the CBSA. This can eliminate duplication in processing paperwork.

If you are using the release on minimum documentation (RMD) border *release* method, the invoice (either the CCI or commercial invoice) **must contain**:

- Your name and business number
- Exporter name
- Unit of measure and quantity of goods
- Value of the goods and currency
- Detailed description of the goods
- Goods' country of origin
- Number of invoice pages
- Bar-coded transaction number affixed to the invoice by Livingston
- Permits, licenses and certificates required by other government departments

COMPLETION GUIDELINES FOR
CANADA CUSTOMS INVOICE (C.C.I.)

LIVINGSTON CANADA CUSTOMS INVOICE		FACTURE DES DOUANES CANADIENNES		Page	of
				de	de
1. Vendor (Name and address)/Vendeur (Nom et adresse)		2. Date of Direct Shipment to Canada/Date d'expédition directe vers le Canada			
ABC Television Co. 1 134 - 5th St. New York, N.Y. 20903-1234 U.S.A.		Jan. 10, 1985 2			
4. Consignee (Name and address)/Destinataire (Nom et adresse)		5. Purchaser's Name and Address (if other than Consignee) Nom et adresse de l'acheteur (s'il diffère du destinataire)			
Acme Importing Co. Ltd. 4 c/o Samson Electronics Co. 523 Byron St. Winnipeg, Manitoba V5C 2J6 Canada		Acme Importing Co. Ltd. 5 1100 Broadway St. Winnipeg, Manitoba V5J 2K1 Canada			
8. Transportation: Give Mode and Place of Direct Shipment to Canada Transport: Préciser mode et point d'expédition directe vers le Canada		9. Conditions of Sale and Terms of Payment (i.e. Sale, Consignment Shipment, Leased Goods, etc.) Conditions de vente et modalités de paiement (p.ex. vente, expédition en consignation, location de marchandises, etc.)			
ABC Transport Co. 7 Chicago, Illinois		Sale - Net 30 days 8			
		10. Currency of Settlement/Devises du paiement			
		U.S. Funds Always complete 9			
11. No. of Pkgs N° de Colis	12. Specification of Commodities (Kind of Packages, Marks and Numbers, General Description and Characteristics, i.e. Grade, Quality) Designation des articles (Nature des colis, marques et numéros, description générale et caractéristiques, p.ex. classe, qualité)	13. Quantity (State Unit) Quantité (Préciser l'unité)	14. Selling Price/Prix de vente		
3 10	Ctn. No. 1 - Cathode-ray Television Picture Tubes for - Colour T.V.'s Ctn. No. 2 - Speaker Parts - Steel Nuts 11 - Steel Bolts - Speaker Cabinet (Specifically Designed) Ctn. No. 3 - Fuses for Voltage Not Exceeding 1,000 Volts	3 12 100 100 50 20	Unit Price Prix unitaire	15. Total	
			\$5.00 .25 .30 100.00 50.00	\$15.00 25.00 30.00 5,000.00 1,000.00	
	Charges included in field 17 Duty \$ 650.00 GST \$ 580.42 Brokerage \$ 105.00 Freight \$ 150.00 \$1,285.42		13	14	
18. If any of fields 1 to 17 are included on an attached commercial invoice, check this box Si les renseignements des zones 1 à 17 figurent sur la facture commerciale, cocher, cette boîte		16. Total Weight/Poids Total		17. Invoice Total Total de la facture	
Commercial Invoice No./No de la facture commerciale Complete if applicable 17 <input type="checkbox"/>		Net 1,125 lbs. Gross/Brut 15		\$6,070.0 16	
19. Exporter's Name and Address (if other than Vendor) Nom et adresse de l'exportateur (S'il diffère du vendeur)		20. Originator (Name and Address)/Expéditeur d'origine (Nom et adresse)			
Same as Vendor 18		19			
21. Depo... (if applicable)/Décision du Ministère (s'il y a lieu) 20		22. If fields 23 to 25 are not applicable, check this box Si les zones 23 à 25 sont sans objet, cocher cette boîte 21 <input type="checkbox"/>			
23. If included in field 17 indicate amount: Si compris dans le total à la zone 17, préciser:		24. If not included in field 17 indicate amount: Si non compris dans le total à la zone 17, préciser:		25. Check (if applicable): Cocher (s'il y a lieu):	
(i) Transportation charges, expenses and insurance from the place of direct shipment to Canada Les frais de transport, dépenses et assurances à partir du point d'expédition directe vers le Canada \$ 1,285.42		(i) Transportation charges, expenses and insurance to the place of direct shipment to Canada Les frais de transport, dépenses et assurances jusqu'au point d'expédition directe vers le Canada \$		(i) Royalty payments or subsequent proceeds are paid or payable by the purchaser Des redevances ou produits ont été ou seront versés par l'acheteur <input type="checkbox"/>	
(ii) Costs for construction, erection and assembly incurred after importation into Canada Les coûts de construction, d'érection et d'assemblage après importation au Canada \$		(ii) Amounts for commissions other than buying commissions Les commissions autres que celles versées pour l'achat \$		(ii) The purchaser has supplied goods or services for use in the production of these goods L'acheteur a fourni des marchandises ou des services pour la production des marchandises <input type="checkbox"/>	
(iii) Export packing Le coût de l'emballage d'exportation \$		(iii) Export packing Le coût de l'emballage d'exportation \$		Complete fields 22-25 only where applicable.	

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LIVINGSTON INTERNATIONAL, 405 THE WEST MALL, TORONTO, ONTARIO M9C 5K7 (416) 626-2828 FAX (416) 622-3890
PRINTED IN CANADA

Completion Guidelines for a Canada Customs Invoice (CCI)

1. Have you indicated the full legal name, address and country of the seller?
2. Have you shown the date on which the goods began their continuous journey to Canada?
3. Do you know the purchaser's order number, or the shipper's commercial invoice number? This information is not mandatory but may be helpful in referencing the shipment.
4. Have you indicated the full name and address of the consignee? This is the person or company in Canada to whom the goods are being shipped.
5. Have you sold the good to a party that is different from the consignee? If YES, provide the complete name and address of the person or company in Canada to whom the goods are being sold. NOTE: This field refers to the "Importer of Record".
6. Are all the items the same? If YES, indicate the Country of Origin. If NO, mark "Various" in field 7 and indicate the country of origin for each item along with its corresponding product description in field 12.
7. Have you specified the complete shipment routing details? Including carrier, mode of transport and place from which the goods began their continuous journey to Canada? NOTE: If this is a PARS shipment, the carrier's bar code label may be placed here.
8. Have you specified the terms of sale? It is extremely important that you fully describe the terms and conditions agreed upon by the vendor and the purchaser. Be sure to indicate any applicable discounts for early payment, etc.
9. Has the currency of settlement been shown? Always remember to indicate the currency in which the vendor's demand for payment is made.
10. Have you indicated the type of packaging and number of packages?
11. Have you provided a detailed description of each item? This information is most important. In addition to a proper identifying description in commercial terms, include such details as the function of the item, the material of which it's made and the condition – whether new, used, etc. Packages are to be legibly marked and numbered on the outside for identification of the contents and invoice descriptions. Note: If the invoice total in field 17 includes amounts for duty, G.S.T., customs brokerage or freight, a break-down of these amounts should be indicated here (show the total in field 23).
12. Have you indicated the quantity of each item in field 12 in the appropriate unit of measure? Number, weights, volume, etc.
13. Did you show the unit price of each item using the currency of settlement? If the goods were not sold, show the amount per article for which they would otherwise be sold.
14. Have you indicated the total price of each item? Indicate the total price for each item in the currency of settlement for the number of items recorded in the quantity field.
15. Did you indicate both the total net and gross weight of the goods? Net weight excludes packaging materials.
16. Have you shown the total invoice price? Indicate the total price paid or payable in the currency of settlement for the goods described on the invoice.
17. Is there an attached commercial invoice? If YES, check the box in field 18 and indicate the commercial invoice number.
18. Is the exporter different from the vendor shown in field 1? If YES, indicate the full legal name, address and country of the exporter.

19. Have you indicated the name, address, and phone number of the person/company completing the invoice? This should be a responsible individual in the vendor's organization who has knowledge of the transaction.
20. Have you shown the number and date of any Canada Border Services Agency ruling relating to the shipment?
21. Are fields 23 and 25 applicable to your situation? If YES, leave unchecked and complete the applicable field 23-25. If NO, check the box in field 22.
22. The completion of these fields is self-explanatory with the exception of export packing. The amount of "export packing" must be indicated if additional packaging was required solely for the international transportation of goods (i.e., other than what would normally be required for domestic transport).

Additional Documents

Certificate of Origin

A certificate of origin (CO) is a document submitted by an exporter to those countries requiring it, listing goods to be imported and attesting to their place of origin. The person who completes the CO must be aware of the legal requirements for origin evaluation and should be familiar with the manufacturing process and/or sources of supply. The CO certifies the country of manufacture of the goods being shipped based on the evaluation of prescribed rules and is used to support the tariff treatment claimed on the customs accounting document (Form B3 - Canada Customs Coding Form). Where countries have agreements (such as NAFTA) for favorable duty treatments for goods originating in specific countries, submission of a certificate of origin can assist in lowering or even completely eliminating duty on goods, thereby helping to increase your competitiveness in the Canadian market.

There are five main types of certificates of origin:

- NAFTA (North American Free Trade Agreement)
- CIFTA (Canada-Israel Free Trade Agreement)
- CCFTA (Canada-Chile Free Trade Agreement)
- CCRFTA (Canada-Costa Rica Free Trade Agreement)
- Form "A" Certificate of Origin from certain developing countries

NAFTA Certificate of Origin

The North American Free Trade Agreement (NAFTA) is a preferential tariff program, which allows decreased duties providing that products qualify under the provisions of the agreement. Not all goods imported into Canada from the U.S. or Mexico qualify for NAFTA.

In order for you to take advantage of NAFTA, the U.S. or Mexican manufacturer/vendor must supply you with either a single importation certificate or a blanket NAFTA certificate of origin for all products that qualify for preferential tariff treatment under NAFTA. In the case of a blanket certificate of origin, the manufacturer/vendor must also supply you with an updated copy of this certificate upon renewal every 12 months or sooner depending on the period covered by the certificate of origin and on the degree of changes to the products manufacturing or sourcing processes.

Qualification of products for NAFTA requires a thorough determination process administered by someone within the manufacturer/vendor's firm familiar with the agreement and its principles. Product knowledge, including components, origin of components, and the manufacturing process is also required for analysis of NAFTA qualification. There are some general considerations when reviewing a product's eligibility for NAFTA.

Goods will generally qualify for NAFTA when any or all of the following are true:

- The good is wholly produced or obtained in the territory
- The good meets the requirements of a specific rule of origin for the product
- The good is made up entirely of components and materials that qualify as originating goods
- The good qualifies under NAFTA article 401 (d)
- The good is automatic data processing equipment or parts that qualify under the provisions of Annex 308.1 of the Agreement

For customized assistance in accurately determining whether products qualify for NAFTA:



[Livingston Can Help - Livingston International Consulting Group](#)

COMPLETION GUIDELINES FOR
NAFTA CERTIFICATE OF ORIGIN

PROTECTED (when completed)

LIVINGSTON North American Free Trade Agreement
Certificate of Origin
(Instructions Attached)

Please Print or Type

1 Exporter's Name and Address: <div style="text-align: right; border: 1px solid black; padding: 2px;">Tax Identification Number: ▶ **</div>	2 Blanket Period: From <table style="display: inline-table; border-collapse: collapse;"><tr><td style="border: 1px solid black; width: 15px; height: 15px;">D</td><td style="border: 1px solid black; width: 15px; height: 15px;">D</td><td style="border: 1px solid black; width: 15px; height: 15px;">M</td><td style="border: 1px solid black; width: 15px; height: 15px;">M</td><td style="border: 1px solid black; width: 15px; height: 15px;">Y</td><td style="border: 1px solid black; width: 15px; height: 15px;">Y</td></tr></table> To <table style="display: inline-table; border-collapse: collapse;"><tr><td style="border: 1px solid black; width: 15px; height: 15px;">D</td><td style="border: 1px solid black; width: 15px; height: 15px;">D</td><td style="border: 1px solid black; width: 15px; height: 15px;">M</td><td style="border: 1px solid black; width: 15px; height: 15px;">M</td><td style="border: 1px solid black; width: 15px; height: 15px;">Y</td><td style="border: 1px solid black; width: 15px; height: 15px;">Y</td></tr></table>	D	D	M	M	Y	Y	D	D	M	M	Y	Y
D	D	M	M	Y	Y								
D	D	M	M	Y	Y								
3 Producer's Name and Address: <div style="text-align: right; border: 1px solid black; padding: 2px;">Tax Identification Number: ▶ **</div>	4 Importer's Name and Address: <div style="text-align: right; border: 1px solid black; padding: 2px;">Tax Identification Number: ▶ **</div>												

5 Description of Good(s)	6 HS Tariff Classification Number	7 Preference Criterion	8 Producer	9 Net Cost	10 Country of Origin
5	6	7	8	9	10

11 I CERTIFY THAT:

- the information on this document is true and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document;
- I agree to maintain, and present upon request, documentation necessary to support this Certificate, and to inform, in writing, all persons to whom the Certificate was given, of any changes that would affect the accuracy or validity of this Certificate;
- the goods originated in the territory of one or more of the Parties, and comply with the origin requirements specified for those goods in the North America Free Trade Agreement, and unless specifically exempted in Article 411 or Annex 401, there has been no further production or any other operation outside the territories of the Parties; and
- this Certificate consists of _____ pages, including all attachments. **11**

Authorized Signature:	Company:						
Name:	Title:						
Date: <table style="display: inline-table; border-collapse: collapse;"><tr><td style="border: 1px solid black; width: 15px; height: 15px;">D</td><td style="border: 1px solid black; width: 15px; height: 15px;">D</td><td style="border: 1px solid black; width: 15px; height: 15px;">M</td><td style="border: 1px solid black; width: 15px; height: 15px;">M</td><td style="border: 1px solid black; width: 15px; height: 15px;">Y</td><td style="border: 1px solid black; width: 15px; height: 15px;">Y</td></tr></table> Telephone:	D	D	M	M	Y	Y	FAX:
D	D	M	M	Y	Y		

****SEE REVERSE SIDE FOR DETAIL CLARIFICATION.**

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Completion Guidelines for a NAFTA Certificate of Origin

1. Have you indicated the full legal name, address (including country) and federal tax identification number of the exporter?
2. Does the certificate cover multiple shipments of identical goods as described in field 5? If YES, specify the period up to one year "FROM", "TO". Goods must be identical in all respects, including the basis of how they meet the NAFTA Rules of Origin.
3. Have you indicated the full legal name, address (including country) and federal tax identification number of the producer? If you would prefer this information to remain confidential, it is acceptable to state, "Available to Customs upon request". If the producer is not known, it is acceptable to state "UNKNOWN".
4. Have you indicated the full legal name, address (including country) and federal tax identification number of the Importer? It is acceptable to state "UNKNOWN" if the Importer is not known, or "VARIOUS" if multiple Importers will be utilizing the certificates.
5. Have you provided a complete description of each item? The description should be sufficiently detailed to relate the item to the invoice description and to the H.S. classification number. For single shipments, include the corresponding invoice number and/or order number.
6. Have you indicated the H.S. classification number (to the 6th digit) for each item listed in field 5? NOTE: Certain goods are subject to specific rules of origin in Annex 401 that require identification to eight digits, using the H.S. classification of the country to which the goods are being exported.
7. Have you selected one of the criteria A through F, as appropriate, for each item described in field 5? More detailed instructions regarding the various Preference Criteria are included below.
8. Are you the producer of the goods? State "YES" or "NO". If you are not the producer, indicate "NO" followed by 1, 2 or 3 depending on the basis of your knowledge about origin of the goods – see below for more information.
9. Have you used "regional value content" to calculate the net cost of the goods? If YES, indicate "NC", otherwise indicate "NO" – see below for more information.
10. For each good described in field 5, have you indicated the country of origin? If the origin is Mexico, indicate "MX". If the origin is the United States, indicate "US". If the origin is Canada, indicate "CA". If there is more than one NAFTA country of origin, indicate "JNT".
11. Have you ensured that the form has been signed and dated and that a knowledgeable individual has completed all information? This is the person that Customs may call if they require further proof that the goods qualify under NAFTA.

Detailed NAFTA ExplanationsField 7 Preference Criteria**A *Wholly obtained or produced entirely***

A good qualifies if every material, part component, etc. entering into the manufacture or production of the item is wholly obtained or produced in one or more of the NAFTA countries. This includes all materials brought from suppliers in any of the NAFTA countries. To qualify under this criterion, an audit trail proving the source of each and

every item or ingredient is required. NOTE: The mere purchase of a good in the NAFTA territory does not necessarily render it “wholly obtained or produced”.

B Specific classification/regional value content rules

NAFTA outlines specific classification and regional value content rules that must be met by a particular product. To determine the applicable rule, the H.S. code of the product must be known. Then, an analysis must be done to ensure any non-originating (non-NAFTA) items have undergone the necessary shift in tariff classification and/or satisfy the regional value content requirements as stated in Annex 401.

C Origination Rule

Under this criterion all materials, items, components or ingredients used to produce the final product must qualify as “originating”. This means that each and every item purchased from a domestic supplier has undergone sufficient transformation in its own right to qualify under NAFTA. NOTE: No constituent materials may fall within the definition of “wholly produced or obtained” – the goods must be produced exclusively from originating materials.

D Parts/unassembled or disassembled goods

This criterion applies in limited circumstances where non-originating materials cannot undergo a change in tariff classification but the regional value-content requirement has nonetheless been satisfied. The two applicable circumstances are: 1) where the final item and its parts are classified under the same H.S. code; and 2) where unassembled or disassembled products are classified as an assembled good pursuant to H.S. GIR 2(a). This criterion does not apply to Chapter 61 through 63 of the Customs Tariff.

E Automatic data processing goods

This criterion is specific to certain data processing goods and their parts subject of Annex 308.1.

F Agricultural Goods

This rule pertains to Mexico only and relates to certain Agricultural Products specified in Annex 703.2 This criterion does not apply to goods that wholly originate in Canada or the United States and are Imported into either country.

Field 8 – Producer

If ‘NO’ is stated in field 8, it must be followed by a (1), (2) or (3), depending on whether the certificate is based upon: (1) your knowledge of whether the goods qualifies as an originating good; (2) your reliance on the producer’s written representation (other than a Certificate of Origin) that the good qualifies as an originating good; or (3) a completed and signed Certificate for the good, voluntarily provided to the exporter by the producer.

Field 9 – Net Cost

If the regional value content (RVC) in field 9 is calculated according to the net cost method over a period of time, you must further identify the beginning and ending dates (DD/MM/YR) of that period.

Special NAFTA Rules

Two additional aspects of the Rules of Origin that can assist in the qualification of products under NAFTA are:

7% De Minimus Rule

If a non-originating material used in the production of a good does not meet the applicable tariff classification change used to determine origin, Article 405 of the NAFTA determines that the final good still can be considered as originating in the region, provided that the value of the non-originating material not meeting the tariff change does not exceed 7% of the total value of the good. The De Minimus Rule does not apply to all goods. Article 405 should be consulted to determine whether this provision is applicable to your situation.

Fungible goods/materials

According to article 415 of NAFTA, fungible goods are goods that are interchangeable for commercial purposes, and have essentially identical properties. When a producer mixes originating and non-originating fungible goods, so that physical identification of originating goods is impossible, the producer may determine origin of those goods based on standard inventory accounting methods such as first-in-first-out (FIFO) or last-in-first-out (LIFO). These provisions apply equally to fungible materials that are used in the production of a good.

Common Errors with Certificates of Origin

- Expired blanket certificates
- Missing origin criterion
- Inadequate description of goods
- Certificate not signed
- Field 3 left blank
- Field 6 incorrect or incomplete
- Missing Tax ID numbers
- Inserting "YES" in Field 8 when exporter, not producer
- Field 9 left blank
- Using certificate which is knowingly invalid
- Issuing a certificate without proper audit trails

Clearing Canada Customs

There are two steps to clearing customs: release and accounting. Your customs broker will facilitate the release and accounting of your shipment based on the documentation supplied by you the importer, the exporter and the carrier. The entire process is referred to as the customs clearance process. Here is how it works...

Release

The customs broker:

- Gathers all necessary information and documentation from you, the shipper and the carrier.
- Reviews the paperwork and will contact you or the shipper to obtain missing information or to clarify the information presented.
- Obtains any required import permits and/or certificates required by other government departments.
- Submits a release package (either with paper documents or electronically) to the CBSA requesting a release of your goods.

When your shipment arrives in Canada, CBSA will release the goods providing everything is in order.

Accounting (Customs Entry)

Within 5 days of the release of the shipment, the customs broker must prepare and submit a customs entry to the CBSA with more detailed information about the shipment.

The customs entry includes a Form B3 - Canada Custom Coding Form. This form contains information about the goods, such as the your identification, description of the goods, tariff classification, value, country of origin and other trade data, as well as how much duty and tax is owed to the CBSA.

In essence, the customs entry is a “tax return” to the CBSA for the shipment.

What is the Release Process?

The release process is the physical movement of your goods across the border. Documents provided to the CBSA at this stage contain only the minimum, but necessary, information to secure the release of your shipment into Canada.



Border Release Programs

There are various options on how information can be presented to Customs for shipments crossing the border into Canada.

To maximize the efficiencies within your release process, you will want to investigate some of the Canada Border Services Agency's (CBSA's) expedited release programs such as the PARS, INPARS and FIRST programs listed below.

In addition, the CBSA developed service standards that show their commitment to processing release requests in a timely manner. The CBSA commitment times change depending on the release options and processes used. The more automated the process, the quicker the release times.

Paper Release or Release on Minimum Documentation (RMD)

This is the traditional method of processing a shipment. Paper release requires the most manual effort, and takes the greatest amount of time to process. Many shipments are processed using this method. However, this practice is beginning to change as more companies automate their procedures and take advantage of expedited border release programs offered by the CBSA.

Pre-Arrival Review System (PARS)

The Pre-Arrival Review System (PARS) is a system developed by the CBSA that allows for release information to be processed before the goods arrive at the border. PARS is available for shipments arriving by ground, air, marine and rail.

The carrier is required to fax or electronically transmit all shipment-related documents/information to your customs broker at least three hours prior to his/her arrival at the border as Customs requires one to two hours to process the PARS release request. The bar-coded cargo control number supplied by the carrier is the key element for pre-arrival review processing. Customs will then make a release recommendation before the goods arrive at the border. In most cases the driver will be able to simply present customs documentation as he crosses the border, and be on his way within a few minutes without leaving the cab of his/her truck.

Please note; by using this method the shipment is given a "release recommendation" only. The customs officer at the border always reserves the right to inspect any shipment.

Inland Pre-Arrival Review System (INPARS)

Similar to PARS, INPARS allows for shipment release information to be processed before the arrival of goods, however, it applies for shipments being sent to an inland bonded warehouse. The bar-coded cargo control number supplied by the carrier is the key element for pre-arrival review processing.

Frequent Importer Release System (FIRST)

This program enables you to benefit from streamlined release privileges on repetitive imports of low-risk, high-volume single commodity shipments.

An application must be submitted to the CBSA in order to participate in this program. Some examples of FIRST shipments may include a Full Truck Load of auto bumpers or a Full Truck Load of bulk material.

Please note that in late 2005 or in 2006 the FIRST program will be eliminated. If you currently enjoy the privileges of FIRST in the future you will be required to either take part in the Customs Self Assessment (CSA) process or utilize the Advance Commercial Information program (ACI).

Release Process by Mode of Transportation

The release process not only changes depending on the border release program you are using, but it also changes depending on the mode of transportation being used - truck, air, courier, ocean, or rail. Below you will find a detailed import process for truck shipments, the most common type of shipment into Canada. To find out more about the process for other modes of transportation, or for specific details on your shipments, talk to your Livingston representative.

It is important to note that Livingston never has access to, or takes physical possession of the goods during the import process.



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Canadian Import Process for Truck Shipments

Using the Pre-Arrival Review System (PARS):

1. Your vendor ships the goods via a carrier to Canada and provides the carrier with the necessary shipping and Customs documents.
2. The carrier faxes the Customs documents along with the PARS bar code and estimated time of arrival to Livingston at the port of entry at least 3 hours prior to arrival at the border.
3. Livingston reviews the Customs documents for completeness and we review your client profile in our system for any special instructions.
4. If everything is in good order, a release request is electronically transmitted to Customs within 1 hour after receiving the documents from the carrier/shipper. This process will take longer if additional documents such as import permits are required.
5. Customs notifies Livingston that a release *recommendation* has been made. The CBSA either recommends the goods for immediate release or they refer the goods for examination upon their arrival at the border. Keep in mind that the customs officer at the border always has the right to examine the shipment, even if the goods were *recommended* for release.

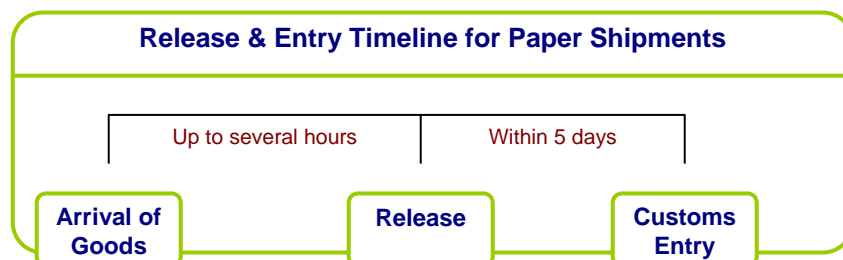
- The driver checks in with Customs upon arrival at the border, provides them with the machine-readable PARS barcode and makes the goods available for examination if necessary. Once Customs approves the release of the shipment, the driver is free to deliver the goods.



Canadian Import Process for Truck Shipments

Using the Paper Release Process (RMD):

- Your vendor ships the goods via a carrier to Canada, and provides the carrier with the necessary shipping and customs documents.
- Upon arrival at the border, the driver presents Livingston with the customs documents, and then waits for the processing of paperwork and presentation to Canada Customs.
- Livingston reviews the customs documents for accuracy and completeness. Your client profile is also reviewed for any special instructions.
- If everything is in good order, a release request can be submitted to Customs within 15 minutes of receiving the documents from the carrier. This process will take longer if additional documents such as import permits are required. (Note: In the case of courier shipments, Livingston will work to release the goods before the next courier delivery schedule which can be within hours, or the next morning, depending on the courier.)
- The driver physically goes to Canada Customs and waits for a hard copy release.
- Customs notifies Livingston of their release *decision*. They either release the goods, or detain them for examination.
- If Customs has requested an examination of the goods, the driver makes the goods available for the inspection. Once Customs approves the release of the shipment, the driver is free to deliver the goods.
- If the shipment is required to be off loaded for a Customs examination, it is at the importer's expense.



What is the Customs Entry?

To expedite the process of releasing a shipment into Canada, the CBSA allows the goods to be released based on a minimal amount of information about the shipment's contents.

By comparison, in the accounting (customs entry) step of the customs clearance process, the government requires a more complete information package about the shipment. The customs broker must submit this additional information to the CBSA within 5 days of the release of a shipment. Failure to do so will result in a fine.

The complete *accounting* package typically contains the following documents:

- Cargo Control Document
- Canada Customs Invoice
- B3 - Canada Customs Coding Form
- Import permits, health certificates, or other government department forms
- Certificate of Origin



The Canada Customs Coding Form (Form B3)

The Canada Customs Coding Form, also known as the B3, is a detailed accounting report to the CBSA of over 70 data elements, specific to each shipment transaction, such as:

- Your name and business number
- Detailed description of the goods
- Value for duty
- Direct shipment date
- Tariff treatment
- Goods' country of origin
- Tariff classification
- Appropriate duty and tax rates
- Calculations of duties owing

Most often misunderstood are tariff classification, value for duty and country of origin.

Tariff Classification

The tariff classification — sometimes referred to as the H.S. (Harmonized System) classification or H.S. code — is an international numbering system that applies a universal code number to a commodity. The code is used to identify goods, assign applicable tariff rates to imported goods and to gather trade statistics. The purpose of using this universal coding system is to avoid misinterpretations of written descriptions of commodities and overcome language problems when shipping internationally. The tariff or harmonized system of classification is used by virtually every major trading nation, as the code up to the sixth digit is international. Beyond 6 digits, each country assigns a country specific numbering system.

The harmonized system consists of approximately 5,000 article descriptions that appear as headings and subheadings. These descriptions are arranged into 97 chapters, grouped into 21 sections. Chapter 77 is reserved for future use. Two final chapters, 98 and 99, are reserved for national use by individual countries.

In Canada, the source of the tariff classifications is what is referred to as *The Customs Tariff*. You have several options available to review *The Customs Tariff*.

- The CBSA web site [Customs Tariff](#)
- Your local customs office
- Hard-copy publications, available on a paid subscription basis

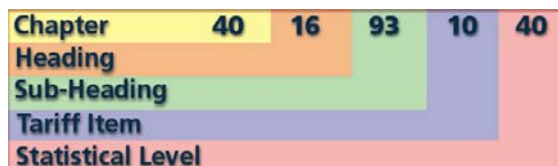
To help classify a particular commodity, you must know the following:

- A complete description of the article, including the material from which it is made
- How the article will be used in Canada
- The legislation, rules and guidelines for the classification of goods

As part of our Canadian brokerage services, Livingston will classify goods using the information presented on the customs documentation. However, you are responsible for ensuring that the classification is correct and that you complete in-depth classification reviews or obtain customs rulings for goods in order to eliminate the risk of additional duties and financial penalties. To ensure the certainty of a product classification and avoid potential risk and liability in the event of a misclassification, the [Livingston International Consulting Group](#) can provide in-depth classification reviews or obtain a customs ruling, upon request. As well, a customs ruling can be used to avoid possible misinterpretations between you and the CBSA regarding the classification of a specific commodity.

Sample H.S. Code

If the import was rubber automotive bushings, the H.S. Code would be determined as follows:



Chapter 40	Rubber (and articles thereof)
Heading 4016	Other articles of vulcanized rubber other than hard rubber
Sub-heading 4016.93	Gaskets, washers and other seals
Tariff item 4016.93.10	... of a kind used in the automotive goods of Chapter 7 of the Customs Tariff
Statistical level 4016.93.10.40	Bushings

Note:

- The first six digits are standardized for all major trading nations according to international conventions. This means the Chapter, Heading and Sub-Heading classifications are the same for any of these countries. For example, a U.S. importer of lead pipe would use the same first six-digit classification as you would.
- The seventh and eighth digits (Tariff Item) are applied based on local — in this case Canadian — jurisdiction rules for trade purposes. This is where the duty rate is assigned.
- The last two digits (Statistical Level) are required for Statistics Canada purposes.

In May of 2002, the CBSA mandated that a single H.S. code of the highest value item or that best described the contents of the shipment be applied at the time of release. On May 3, 2004 the CBSA increased the current mandatory H.S. code requirement to 5 lines. In the fall of 2005, the CBSA will require that all commodities be classified at the time of release.

Value for Duty

Valuation is the process of determining the value for duty of an imported item. Value for duty is the amount on which the CBSA calculates the duty owed on imported goods.

Generally speaking, the value of the goods, or value for duty, is the price paid or payable for the goods (selling price) converted to Canadian funds, with certain additions and deductions. An example of additions includes amounts paid for royalties, licenses fees and selling commissions. An example of deductions includes amounts for freight and brokerage fees included in the price. There are some exceptions to this rule. For example, free goods, or samples sent from a U.S. supplier, have value for customs purposes that must be recorded.

Determining Transaction Value

The commercial value of imported goods must be established before the value for duty can be calculated. This is not necessarily an easy task since various adjustments to the actual sale price are often required.

The "transaction value" is the price paid or payable for goods, as adjusted, when sold for export. It represents the total of all payments made, or to be made, by you, whether directly or indirectly, to the benefit of the seller. Six methods of valuation based on the transaction value of the goods can be used. The following list presents these methods of valuation in the order in which — by process of elimination based on various factors — the approved method of calculating the value of the goods must be established. Each method must be tested and discarded before proceeding to the next.

1. Transaction value
2. Transaction value of identical goods
3. Transaction value of similar goods
4. Deductive value (Note: This valuation method and the next one, computed value, may be applied in either order)
5. Computed value
6. Residual value

The transaction value method of valuation can only be used when certain conditions are met, including restrictions on the disposition or use of the goods; a condition that precludes the determination of the value of the goods; the inclusion of selling commissions and other subsequent proceeds; and where the parties to the transaction are related.

Limitations on Use of Transaction Value

In order for a transaction value to be accepted as a value for duty, certain requirements must be met. The requirements pertain to: restrictions on the use of the goods; conditions that impact the price of the goods; subsequent proceeds to the vendor from the resale or use of the goods; and the existence of a relationship between the purchaser and the vendor.

Related Parties

Unless the absence of influence and test value requirements of the Customs Act is met, persons are related to each other if:

- They are individuals connected by blood relationship, marriage or legal adoption
- One is an officer or director of the other
- Each such person is an officer or director of the same two corporations, associations, partnerships or other organizations
- They are partners
- One is the employer of the other
- Either is directly or indirectly controlled by the other
- Any other person directly or indirectly owns, holds or controls 5% or more of the outstanding voting stock or shares of each such person; or

- One directly or indirectly owns, holds or controls 5% or more of the outstanding voting stock or shares of the other.

Therefore, if the transaction value method cannot be applied, a thorough analysis is required to establish the acceptable valuation methodology.

Note: The valuation methodology for customs purposes is not the same for tax purposes. This means that acceptance of the value from a tax perspective does not necessarily constitute acceptability under the Customs Act requirements.

Country of Origin

Country of origin is a legal determination of the country in which the goods were substantially manufactured. This means the country where the major part of production or manufacturing took place and includes the accumulated costs of material, labour, and overhead.

It does not, however, refer to the country from where the goods were shipped. It affects both duty rates and import requirements. It is imperative the country of origin of the goods is indicated on the shipment documentation since it is a key component in establishing if a preferential tariff treatment is applicable.

Note: A Certificate of Origin is used to support the country of origin claimed on the B3.

Marking Requirements

As mentioned, the country of origin must be clearly and properly marked on documentation supporting the goods at the time of exportation to Canada. In particular, when shipping these six categories of goods into Canada, country of origin must be indicated on the accompanying CCI (and NAFTA Certificate of Origin if applicable).

1. Goods for household and personal use
2. Hardware
3. Novelties
4. Paper Products
5. Wearing Apparel
6. Horticultural Products

In addition, requirements for marking country of origin should not be confused with Industry Canada's labelling requirements. For specifics on packaging and labelling requirements (language, ingredients listings, weights and measures, warning labels, etc.), contact Industry Canada directly or:



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Adjustments to the Customs Entry

Customs entries can be changed after they have been submitted if an error has been made in the accounting information. This often occurs when the importer can prove that they should benefit from a reduced/zero duty rate, the importer has new or updated information regarding the shipment, or the CBSA identifies an error on the original entry, which requires a change or additional information.

Self-Adjustments

When initiated by you, customs entries can be changed after they have been submitted by completing a Canada Customs Adjustment Request (Form B2).

The CBSA requires that you correct the information within 90 days after submission of the customs entry where the change is revenue neutral or the CBSA is owed money. Interest is charged on monies owing.

In most cases where the change will result in the CBSA refunding duties or taxes paid, an application for a refund can be filed up to 4 years (1 year for NAFTA) from the date the goods were “accounted”.

Detailed Adjustment Statement (DAS)

If the CBSA identifies an error and wants to change the original customs entry, or requires additional information, they will issue a Detailed Adjustment Statement (DAS).

An error can result in an over-payment or short-payment to the CBSA, or simply a correction of information not relating to any change in duty amounts. In the case of a short-payment, the CBSA will request that additional duties and taxes owing be submitted with interest within 30 days.

Duty Deferral Programs

The CBSA offers trade incentive programs to help keep you competitive. These incentives, known collectively as duty relief programs, are designed to reduce, eliminate or defer customs duties on qualifying goods imported under special circumstances. Livingston can assist you in determining which programs are applicable.

Drawback

The Drawback Program enables an eligible importer, exporter, processor, owner, or producer of goods that were exported from Canada to receive a full or partial “refund” of duties already paid on goods that are imported or manufactured and later exported. Where more than one person is eligible to file a claim, you must secure a waiver from all other eligible claimants waiving their rights to claim.

You initiate the drawback, and are required to provide a complete a Drawback Claim (Form K32 or K32-1) and file it together with supporting documentation as outlined in customs regulations.

For goods that are further manufactured or processed in Canada and then exported to the U.S. or Mexico, the “lessor of the two duties” concept under NAFTA will apply. This means that the difference in duty paid for input materials when imported into Canada minus the duty paid on the finished product entering the NAFTA country is evaluated to determine the drawback refund. If no duty is paid on the finished product then there is no opportunity for a drawback.

Duty Deferral

Under the Duty Deferral Program, you can postpone paying duties on goods that are going to be exported or to be used to process goods intended for export. In order to participate in the Duty Deferral Program, you are required to apply to the Trade Administration Services office.

Refunds

You can receive a refund on full or partial duties paid on exported or destroyed goods, defective goods, short shipments, or equipment removed from the goods and returned to the manufacturer for credit. You may also receive a refund in cases of incorrect value, tariff classification and incorrect origin. For more information:



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Remissions and Temporary Importations

All goods entering Canada, even those imported temporarily or exported temporarily then returned to Canada are subject to duties on their full value. However, specific remissions and temporary importation regulations can provide partial or full relief of the duty and taxes.

Some examples include:

- Goods temporarily imported for trade shows
- Goods temporarily exported to the U.S. for warranty repair

In addition, the Canadian Goods Abroad program allows for the partial or full relief from payment of duties on goods that you export for repairs, additions, or work done abroad and that are later returned to Canada, as long as specific conditions are met.

For assistance on all of your Canadian regulatory needs:



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Customs Compliance

The Canada Border Services Agency (CBSA) believes that most importers voluntarily comply with the law once they understand their obligations and know how to meet them. When you, as the importer, comply with the law your goods may be subject only to the occasional random examination, which reduces your shipment release times and your business costs.

Record Keeping

Once goods have been released into Canada, and the applicable duties and taxes have been paid, your responsibilities have not ended. Proper books and records of all commercial transactions must be kept and made available for inspection by Customs upon request.

The CBSA has the authority to enter the premises where you have kept books and records for the purposes of inspecting, auditing and examining such records, examine goods in inventory as necessary to establish that the value, the origin and the tariff classification of the goods have been declared in line with the regulations.

If you are importing goods for sale or for any commercial, occupational, institutional, industrial or any similar use, you must maintain records of all transactions. The CBSA requires that you maintain these records for six years plus the current year.

Mandatory Information

The records maintained must provide proof of origin, marking, purchase, cost, value and payment of the goods and proof of importation. They must also show what the disposition of the goods was in the country of importation. As well, all documentation of the business processes relating to the import must be maintained. These records are not required if the goods are not intended for sale.

If goods are imported at a free or reduced rate because of their intended use by a specifically entitled person, the user's full name, address, occupation and authorized use must also be certified and maintained on file. If these goods are then diverted for other uses that render them ineligible for free or reduced treatment, the proper duty and taxes must be paid and records kept proving that this has taken place.

Records must be kept and made available to authorized customs personnel, with sufficient advance notice:

- In hard-copy form; or
- On microfilm, provided that the microfilm system is a regular part of the business operation. (Operating logs and indexes must be maintained, and good-quality reproductions of required documents must be readily available to customs officials.); or
- On computer, provided that the system used is capable of providing source documentation.

If records are not kept in the prescribed manner, and after due warning, Customs is authorized to detain all future shipments, at your expense, until the proper records are available for inspection. If such records are not provided, Customs can dispose of these goods as being "unclaimed".

Where Customs has determined that you have failed to comply with the record-keeping requirements and with a request to comply within a reasonable amount of time, a financial penalty can be applied.

Audits

Historically, customs audited shipments on a transaction-by-transaction basis. As goods crossed the border, customs officers would inspect shipments and documents at the time of release.

Today, the CBSA has moved away from transactional audits at the border to on-site audits of documentation, and departmental and systems integration. This means that it is critical for you to ensure that not only the documentation is accurate, but that proper links exist within the entire supply chain (procurement-to-payment). This will help you ensure that all goods imported as well as all discrepancies such as overages and/or shortages, no-charge items, damaged and returned goods are properly declared and accounted for with customs.

If you are in compliance and have a good profile with the CBSA as a result of these audits, you will be rewarded with less border scrutiny and will be able to take advantage of special release options. If you do not comply with CBSA regulations, you will have a poor profile with customs and will face fines and penalties and will not be able to benefit from participation in some CBSA programs.

To find out more about the CBSA's verification programs, the specifics of audit processes and how to prepare for them:



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Fines and Penalties

Today, the CBSA imposes fines and penalties on companies who are found in non-compliance with customs regulations and legislation. The Administrative Monetary Penalty System (AMPS) is a systems of monetary penalties aimed at ensuring that you comply with the regulations and requirements. Customs will issue a Notice of Penalty Assessment (NPA), which describes the contravention and shows how the penalty amount was calculated. Payment is due 30 days from the date of the NPA. In most cases, AMPS penalties are reflected on your contravention history for 3 years. For more information on AMPS:



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Benefits of Compliance

Customs compliance can lead to substantial internal savings and benefits.

The CBSA develops a risk profile of every importer. If your company has a good record of compliance, you will enjoy faster releases and less frequent scrutiny of your products at the port of entry. You will also be eligible to take advantage of CBSA's "New Business Relationship" initiatives, which are meant to make importing faster and easier.

Of equal importance are the internal benefits that your company can enjoy when you better manage your trade and customs information. Efficient management of trade data can provide you with valuable strategic information and improved efficiency. These benefits range from better-informed purchasing decisions to reduced internal operating costs.

For assistance with all of your customs compliance requirements:



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How Livingston Can Help

At Livingston, we believe that your success is our success. We provide you with more than just customs brokerage and transportation services; we set you up for import success.

Our solutions offer you ways to strengthen the cross-border component of your supply chain. Livingston has all the solutions you need to save time and money when importing into Canada.

Our extensive coast-to-coast port coverage and electronic network give us more clearance offices on both sides of the border than any other customs broker in North America. And no one has a broader range of trade specialists than we do. Our licensed customs brokers and analysts are also regulatory specialists with industry-specific technical expertise. Working with you, we gain a deep understanding of your company and products to ensure your goods are classified accurately and released quickly.

Our complete range of trade services include:

Advancing Canada and U.S. Customs Brokerage

Livingston is committed to paving the way for new and improved ways of managing cross-border trade that will assist you in meeting your business objectives. Our specialized knowledge, backed by our hands-on commitment to meet all of your customs clearance needs, makes for more efficient shipping, uncovers opportunities to reduce duties and puts in place best practices to avoid penalties and unnecessary compliance risk.

Comprehensive consulting services

Our consultants simplify the complexities of international trade accords and tax legislation, applying our in-depth, real-world know-how to your unique situation. We do more than just analyze. Our value lies in our expert ability to recommend and help implement the changes required for your company to become compliant and more competitive.

Cost-efficient transportation alternatives

As part of our comprehensive logistics services, we can recommend effective, cost-efficient alternatives to your current transportation practices. We can determine preferred modes of transport, select optimal carriers and identify the best shipping routes and service options in North America and around the globe.

Knowledge sharing seminars

Our customs and trade consultants create detailed presentations and instructional materials to give you the best, most reliable information to aid in your business planning. We highlight solutions to help make your in-house customs compliance efforts run smoothly and efficiently.

Innovative technology

Managing trade information is the key to successfully managing trade. Our Insight® technology solutions will help facilitate trade by combining the expertise of Livingston's customs and trade professionals with web-based applications and knowledge-based software. Livingston's trade technology forms the backbone of good business practices.

Breadth of experience in cross-border trade

Livingston International Inc. has one of the broadest ranges of trade services available. Our professional staff includes Licensed Canadian and U.S. Customs Brokers and a team of seasoned trade specialists.

How to Contact Us

For further information on how Livingston can assist your firm in developing an efficient and cost effective importing strategy, contact your Livingston Account Manager, or call us at 1-800-837-1063. You can also visit our web site at www.livingstonintl.com or email us at solutions@livingstonintl.com.