



Ottawa, September 19, 2008

MEMORANDUM D17-1-4

In Brief

RELEASE OF COMMERCIAL GOODS

1. This memorandum has been revised to reflect the elimination of the Frequent Importer Release System (FIRST), which was phased out as of January 31, 2008.
2. Paragraph 44 sets out new mandatory filing requirements for Release on Minimum Documentation (RMD) and the exceptions to this requirement.
3. A minor amendment has been made to paragraph 46 to delete the requirements of “a notation indicating the corresponding page and line of the commodity to which the HS code(s) applies” from multiple-page paper invoices.
4. Appendix C, Exception Lead Sheet, has been added.
5. Revisions made to this memorandum are the result of the Paper Burden Reduction Initiative (PBRI). Revisions included eliminating obsolete, non-essential and duplicated requirements.





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This memorandum outlines and explains the terms and conditions for the release of commercial goods from the Canada Border Services Agency.

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Legislation

Importers who want to obtain release of commercial goods must account for them as described in sections 32 and 33 of the *Customs Act*.

GUIDELINES AND GENERAL INFORMATION

1. Importers and brokers can obtain release of commercial goods from the Canada Border Services Agency (CBSA) by:

- (a) presenting a properly completed accounting document, Form B3, *Canada Customs Coding Form*, which accounts for the duties owing on the goods; or
- (b) transmitting an interim accounting Release on Minimum Documentation (RMD), when appropriate security for the release of goods has been posted, before payment of duties:

- (1) RMD information must be transmitted electronically using Electronic Data Interchange (EDI) to the CBSA. Please refer to paragraph 44 for a list of exceptions to this requirement.

BUSINESS NUMBER (BN)

2. Importers or brokers must obtain a BN with an importer account before a shipment arrives at the point of entry. More information on the BN can be found in Memorandum D17-1-5, *Importing Commercial Goods*, Section 1 – Registration.

OTHER GOVERNMENT DEPARTMENT (OGD) REQUIREMENTS

3. The CBSA and OGD or agencies may require certificates, licences, permits, authorizations or other documentation for imported goods,

depending on the commodity. Many of these documents must be provided to the CBSA before goods can be released.

4. Permits issued by the department of Foreign Affairs and International Trade Canada (DFAIT) can be transmitted electronically from the Export and Import Controls System (EICS) to the Accelerated Commercial Release Operations Support System (ACROSS). More information on EICS can be found in Memorandum D19-10-2, *Export and Import Permits Act* (Importations).

VERIFICATION

5. The CBSA monitors all release and accounting documents for quality. Importers and customs brokers must comply with the statutory or regulatory provisions on release documents (interim accounting) to the same extent as at final accounting.

6. Information is verified at the time of release from CBSA to ensure it meets government requirements. Incorrect or incomplete release documents will be returned for correction with a Form Y50, *Reject Control Document* (see Appendix A), indicating the reasons for rejection. For release information provided through EDI, the CBSA will transmit this form to the importer or broker. The goods rejected on a Y50 will not be released until the CBSA receives the corrected documents or data.

7. The CBSA wants to facilitate the release of goods whenever possible and will not delay release requests due to minor errors in the paperwork. CBSA may release the shipment and issue a Y51, *Reject Document*, if the error is not relevant to the release decision. However, the border services officer retains the right to ask for information to ensure the goods comply with legislation.

8. Voluntary disclosure of errors to the CBSA by importers is encouraged at all times. Such disclosure will not result in the imposition of penalties or sanctions, unless it can be clearly established that the disclosure was motivated by the likelihood of imminent detection and a desire to avoid the legal consequences of detection.

HOURS OF RELEASE

Regular Office Hours

9. The CBSA will process release requests and examine shipments during authorized hours of commercial service. You may access the CBSA business hours at CBSA offices across Canada and/or the *Directory of CBSA Offices* by visiting the CBSA Web site at www.cbsa.gc.ca. If the release is requested outside the authorized service hours, special service charges may apply. Memorandum D1-2-1, *Special Services*, contains additional information concerning service hours and special service charges.

10. Release requests may be transmitted electronically 24 hours a day, seven days a week.

After Hours

11. Documentation requirements for goods released outside business hours are the same as for authorized hours. When it is not possible to provide a transaction number in bar-coded format at time of release, release may be obtained if an index card (10 × 15 cm) is provided containing the following information:

- (a) importer name and address;
- (b) importer business number;
- (c) name of customs broker (if applicable);
- (d) name of sub-agent (identified as the sub-agent, if applicable); and
- (e) account security number.

12. At the time of release, the CBSA copy of the release documents must indicate the account security number of the importer or broker who will account for the release transaction. Importers and brokers should ensure that the transaction number, in bar-coded format, is affixed to the release documents being held at the CBSA office by 11 a.m. the next business day after release.

INLAND ALTERNATE SERVICE (IAS)

13. Under the IAS program, a number of small, designated CBSA service sites no longer have a physical CBSA presence. Commercial services for these de-staffed offices are provided by larger offices, referred to as "hubs." Local importers and brokers provide documentation to the CBSA for processing at the hub by mail, courier, facsimile, or EDI. The hub is responsible for processing release requests and examining shipments where required.

14. Importers at an IAS site should contact the hub office, as indicated in the *Directory of CBSA Offices*, located at www.cbsa.gc.ca, for more information.

CUSTOMS BROKERS

15. The CBSA licences customs brokers to carry out CBSA-related responsibilities on behalf of their clients. Customs brokers are not government employees and importers must pay a fee for their services.

16. Importers must provide the customs broker with written authorization to act as their agents. Importers may authorize a licensed customs broker to conduct the following CBSA business on their behalf:

- (a) register for a business number;
- (b) obtain necessary information, certificates, licences, permits, authorizations, etc., for the release of goods;

- (c) prepare and submit release and accounting transactions;
- (d) pay applicable duties and taxes to the Receiver General;
- (e) respond to any CBSA concerns;
- (f) request corrections and refunds to accounting documents; and
- (g) maintain records.

17. Although importers may use a customs broker to transact business with the CBSA, they are ultimately responsible for documentation, payment of duties and taxes, and subsequent corrections such as re-determination of classification, origin and value.

CBSA OFFICES WITH NO LICENSED CUSTOMS BROKERS

18. Importers or brokers may send release and accounting documents by mail or courier to a CBSA office where there are no licensed customs brokers.

19. When security for release of goods has not been posted before payment, importers or brokers must first present the accounting documents to their local CBSA office. The CBSA will review the documents to ensure that the required documentation is attached and the duties and taxes have been calculated correctly. Exact funds to cover the duties and taxes payable must be submitted to the CBSA office of release along with the accounting documents.

20. When security for release of goods has been posted before payment, the release package and final accounting documents can be sent to the CBSA office where release will be made. An importer or broker contact name is to be included with the documentation. Payment must be made within the applicable time frames.

RELEASE PROCEDURES

LOW VALUE COMMERCIAL GOODS

21. Memorandum D17-1-2, *Reporting and Accounting for Low Value Commercial Goods (under CAN\$1,600) and the Consist Sheet Clearance Process*, outlines the documentation requirements for the release of commercial goods valued at less than CAN\$1,600.

POSTAL IMPORTATION

22. Memorandum D5-1-1, *Customs International Mail Processing System*, outlines the documentation requirements for the release of commercial goods sent through the postal system.

TEMPORARY IMPORTATION

23. Memoranda D8-1-4, *Temporary Admission Permit – Form E29B*, and D8-1-7, *Use of A.T.A. Carnets and Canada/China-Taiwan Carnets for the Temporary Admission of Goods*, outline the documentation requirements for goods temporarily imported into Canada.

24. RMD procedures may also be used for temporary importation in the following situations:

- (a) when Goods and Services Tax (GST) is relieved. The E29B posting security for the customs duties that would otherwise be owing must be presented with the RMD package; and
- (b) when GST is relieved on a proportionate duty (1/60 or 1/120) basis.

FORM C6, PERMISSION FOR SPECIAL PURPOSES

25. The Regional Director General of CBSA may authorize a Form C6 in certain cases, such as to allow an importer or broker to open a parcel in a warehouse to get documents that are needed to release goods. However, in the case of release of goods before payment of duties, Form C6 can be used only under the following circumstances:

- (a) to allow raw leaf tobacco to be delivered directly to a licensed packer or licensed manufacturer to determine the standard weight prior to preparation of the final accounting;
- (b) to allow imported spirits to be delivered directly to a distillery to determine the quantity and strength prior to preparation of the final accounting; and
- (c) to allow release of imported bulk cargoes, which have to be weighed or gauged prior to preparation of the final accounting documentation.

26. The importer should state on the form why permission is required before submitting it to the local CBSA office.

ACCOUNTING AND PAYMENT AT TIME OF RELEASE

27. Clients accounting for and paying duties on the shipment at the time of release must provide hard copy (paper) documentation to the CBSA. Requirements for the completion of the various release documents can be found in Memorandum D17-1-10, *Coding of Customs Accounting Documents*.

Form B3, Canada Customs Coding Form, Type C

28. To account for and pay the duties and taxes on a shipment at the time of release, the importer or broker must use Form B3, type C. A sample of Form B3 is contained in Memorandum D17-1-5, *Importing Commercial Goods*, Appendix 3A.

29. The following documentation must be provided to the CBSA:

- (a) one copy of a completed Form B3 at automated offices. An additional copy of Form B3 is required at a non-automated CBSA office. Once duties and taxes have been paid, this copy will be stamped "duty paid" and returned as a receipt;
- (b) commercial invoices;
- (c) cargo control document (CCD) (not required if the goods are transported by the importer); and
- (d) the required permits, certificates, licences or authorizations.

Form B3, Canada Customs Coding Form, Type D

30. If all the information is not available, Form B3, type D interim accounting document may be submitted to the CBSA. Enough information should be included for the Border Services officer to determine the tariff classification and value for duty of the goods.

31. The CBSA requires a security deposit in addition to the estimated duties owing on the goods. The deposit must be equal to 10 % of the value for duty of the goods and at least \$100, but not more than \$1,000. The supporting documents are the same as for Form B3, type C, as outlined in paragraph 29.

Form B3, Canada Customs Coding Form, Ex-warehouse

32. Goods removed from a bonded warehouse for use in Canada must be documented on an ex-warehouse Form B3. Refer to Memorandum D17-1-10, *Coding of Customs Accounting Documents*, for information on which ex-warehouse type applies to the goods. The supporting documents are the same as for Form B3, type C, as outlined in paragraph 29.

RELEASE PRIOR TO PAYMENT

33. Release Prior to Payment allows importers or brokers to obtain release of goods before duties and taxes are paid. Importers or brokers may take advantage of Release Prior to Payment privileges as long as they post security with the CBSA, account for the goods within the prescribed time limit, and pay duties and taxes owing in full by the due date. Refer to Memorandum D17-1-5, *Importing Commercial Goods*, for information on posting security, customs accounting requirements, and payment of duties.

34. Release prior to payment options include:

- (a) Release on Minimum Documentation (RMD);
- (b) Pre-arrival Review System (PARS);
- (c) G7/Electronic Release on Full Documentation (RFD); and

(d) G7/Electronic Pre-arrival on Full Documentation (PAFD).

Electronic Transmission

35. The CBSA encourages the use of electronic transmission. Electronic transmission is available for both release and accounting information.

36. EDI allows electronic transmission of RMD and PARS release data, including invoice information, to ACROSS. A border services officer reviews the information and transmits the release decision back to the client via the Release Notification System (RNS) or the Customs Automated Data Exchange (CADEX). Clients using EDI must abide by the requirements outlined in the Electronic Commerce Client Requirements Document (ECCRD).

37. The CADEX system offers an alternative to presenting paper copies of accounting information. Clients authorized to use CADEX can transmit Form B3, *Canada Customs Coding Form*, directly to the CBSA computer system. Clients using CADEX must abide by the requirements outlined in the CADEX Participants Requirements Document (PRD).

38. The RFD program allows clients to transmit full release and accounting documentation in a single transmission. Clients using RFD and PAFD must abide by the requirements outlined in the RFD PRD.

39. You can obtain a copy of the ECCRD, CADEX PRD, or RFD PRD by writing to:

Manager
Electronic Commerce Unit
Innovation, Science and Technology Branch
Canada Border Services Agency
6th Floor
250 Tremblay Road
Ottawa ON K1A 0L8

You can also visit the CBSA web site at www.cbsa.gc.ca.

Time frames for the Release of Goods

40. Mode-specific time frames for the release of goods apply when an importer or broker submits RMD requests, and when a carrier or warehouse operator transmits RNS arrival notifications. Refer to Appendix B for the applicable time frames and conditions.

41. It should be noted that when carriers, freight forwarders or agents provide a CCD to the importer or broker before the goods arrive, they must specifically advise the importer or broker that the goods have not yet arrived. **Clients are strongly encouraged to mark the pre-arrival cargo control document, "TO BE USED FOR PARS SERVICE OPTION ONLY". The carrier or forwarder must also provide an estimated time and date of arrival for the goods.** A penalty may be issued to the carrier if the

CBSA refers goods for examination and discovers that the importer or broker was not advised of the arrival status of the goods (i.e., the goods were not available for examination.)

RELEASE ON MINIMUM DOCUMENTATION (RMD)

42. RMD allows importers to obtain release of goods by presenting interim documentation. Full accounting data and payment are not required at the time of release. Presentation of full accounting data and payment is made according to prescribed time frames. More information on accounting and payment is found in Memorandum D17-1-5, *Importing Commercial Goods*.

43. RMD documentation must be transmitted electronically to the CBSA using EDI.

44. Certain exceptions to the requirement of transmitting RMD documentation using EDI apply. The exceptions are as follows:

- (a) goods are subject to the requirements of another government department or agency and there is no EDI link between the CBSA and the OGD or agency to satisfy the requirement;
- (b) the invoice for the release transaction contains more than 100 invoice lines or otherwise specified by CBSA;
- (c) the release is for Shortages, Entered to Arrive, Value Included, Provisional, etc. where there is no EDI option;
- (d) there is more than one warehouse sub-location code per release transaction;
- (e) the release transaction is covered by multiple highway cargo control numbers at the border;
- (f) the CBSA has issued a paper Form Y50, *Reject Document Control*, to the importer/broker for courier/low-value shipments;
- (g) goods are moved into a bonded warehouse using the RMD option (grey wrapper);
- (h) goods are to be released from a Queen's warehouse;
- (i) system outages.

45. A paper RMD package will be accepted if one of the above exceptions apply. An Exception Lead Sheet (Appendix C) must accompany the paper release package indicating the applicable exception. The border services officer retains the right to refuse the paper release request if it does not meet one of the exceptions listed in paragraph 44.

Documentation

46. An importer or broker who wants goods released before final accounting must provide the following interim accounting information to the CBSA:

- (a) a CCD – two copies for paper releases (the customs delivery authority copy and the long-room copy);
- (b) a commercial invoice, such as a Canada Customs invoice or another acceptable document, such as a bill of sale, or both, containing the following:
 - (1) vendor's name and address;
 - (2) consignee's name and address;
 - (3) purchaser's name and address (if other than consignee):
 - (i) in cases where both a purchaser and a consignee are identified on the invoice, the purchaser, not the consignee, will be the importer of record;
 - (ii) where only a consignee is listed, the consignee will be the importer of record;
 - (iii) the party identified as the importer at the time of release must be the party identified as the importer at the time of final accounting;
 - (4) importer's BN;
 - (i) clients with more than one RM account must specify the account identifier and enter all 15 characters of the BN (e.g., 123456789RM0003);
 - (ii) the name of the importer of record must correspond with the name under which the company registered for its RM account;
 - (5) unit of measure and quantity of goods;
 - (6) value of the goods and currency of settlement;
 - (7) detailed description of the goods;
 - (8) 10-digit harmonized system (HS) code:
 - (i) where five HS codes or less are applicable, all HS codes must be provided before the release of commercial shipments;
 - (ii) where more than five HS codes are applicable, a minimum of five HS codes are required. In this circumstance, one of the five 10-digit HS codes provided must be for either:
 - the highest valued commodity of the shipment; or

– the commodity that provides the most reasonable representation of the shipment.

(iii) when multiple-page paper invoices are presented, the HS code(s) must also be shown on the first page;

(iv) importers and brokers are encouraged to use bar-coded format, if available;

(v) the mandatory HS requirements apply to all paper and electronic RMD and PARS release requests valued at CAN\$1,600 or more with the exception of shipments for Customs Self Assessment (CSA)/Free And Secure Trade (FAST) importers, who are exempt from mandatory HS requirements;

(9) country of origin of the goods;

(10) number of invoice pages; and

(11) transaction number in bar-coded format as outlined in Memorandum D17-1-10, *Coding of Customs Accounting Documents*. The requirement for the bar-coded format does not apply to goods released through a sub-agent at a non-terminal CBSA office;

(c) permits, licences, certificates and authorizations required by OGD or agencies.

47. The documents must be submitted to the CBSA in the following order:

(a) carrier/warehouse keeper documents (customs delivery authority copy of the CCD);

(b) OGD or agency permits, licences or certificates;

(c) CBSA documentation release information sheet – optional, (see Appendix D), long-room copy of the CCD, invoice, and supporting documentation, importer or broker documentation (release information sheet, or invoices).

CUSTOMS AUTOMATED DATA EXCHANGE (CADEX)

48. CADEX allows importers and brokers to transmit final accounting data over telecommunication lines. CADEX participants must meet more stringent invoice and documentation requirements at the time of RMD than non-CADEX participants.

49. CADEX participants must:

(a) comply with the requirements outlined in the CADEX PRD;

(b) indicate a CADEX identifier on the first page of the customs copy of the invoice near the transaction number, or on a release information sheet (see Appendix D) accompanying the release request;

(c) present release documents in a gold wrapper (marked LVS, if the goods are valued at less than CAN\$1,600); and

(d) provide RMD appraisal-quality invoice data at the time of release for paper requests, or within five business days of release, if using EDI release procedures.

50. If the documentation to support final accounting is not available at the time of release, the release request **should not be** submitted as a CADEX release. A non-CADEX RMD may be presented and final accounting submitted on a hard copy Form B3.

CHANGES AND CORRECTIONS TO RMD AFTER RELEASE BUT PRIOR TO FINAL ACCOUNTING

51. There is an obligation on the part of the party who is obtaining the release of the goods to present correct information. However, where errors occur, the CBSA may accept changes to RMD as follows:

(a) when changes are required to the BN, transaction number, Cargo control number(s) (CCN), container number(s) or sub-location code, Form A48, *RMD Correction*, should be used. For further information, refer to Memorandum D17-2-3, *Importer Name/Account Number or Business Number Changes*;

(b) when changes are required to invoice information:

(1) for EDI transactions, participants will refer to the ECCRD;

(2) for paper transactions, the importer or broker will submit a request in writing, including supporting documentation, to the CBSA office of release. If accepted by the CBSA, it will be attached to the original release record or final accounting document (as applicable, depending on whether the original transaction was CADEX or non CADEX).

PRE-ARRIVAL REVIEW SYSTEM (PARS)

52. PARS allows importers and brokers to submit RMD information to the CBSA for review and processing before the goods arrive in Canada. This speeds up the release or referral for examination process when the goods arrive in Canada. Electronic transmission and exceptions to transmitting electronically when using the PARS release option are the same as for RMD, as outlined in paragraph 44. PARS allows the processing of goods that require permits, licences or certificates, **including those commodities controlled by the** Canadian Food Inspection Agency (CFIA). Refer to the CFIA-PARS section for more information.

53. The PARS service option is available for goods imported by different modes of transport:

- (a) PARS – goods arriving by highway and cleared at the border;
- (b) In PARS – goods cleared at an inland highway sufferance warehouse;
- (c) Rail PARS – goods arriving by rail;
- (d) Marine PARS – marine freight; and
- (e) Air PARS – air freight.

54. The CCN is the key element of the PARS process. If multiple invoices cover one shipment consigned to one importer, only one CCN is necessary. The invoice pages should be clearly marked. (e.g., page 1 of 3, page 2 of 3, and page 3 of 3).

55. The CCN must be in a bar-coded format on paper release requests presented to the CBSA for pre-arrival review. In addition, documents that carriers present to the CBSA when they arrive at highway border locations for both PARS-Paper and PARS-EDI must have a bar-coded CCN.

56. The carrier supplies the bar codes. The first four digits of the CCN must be the unique carrier code that identifies the carrier. The acronym “PARS” should be displayed in human readable form to identify the use of the bar code. If “PARS” is included as part of the CCN, between the carrier code and the numeric sequence (e.g., 72F1PARS00001), the bar codes must also contain the bars for the letters in “PARS.”



1234PARS56789

If the bar codes do not actually contain the inscription “PARS,” the acronym may be printed either above the bars or under the number.



123456789
PARS

57. Technical specifications for bar-coded CCNs can be found in Memorandum D3-1-1, *Regulations Respecting the Importation, Transport and Exportation of Goods*.

Documentation

58. Documentation for a paper PARS release request presented for pre-arrival review consists of:

(a) importer/broker lead sheet (see Appendix E for sample) that includes:

- (1) “PARS” clearly marked;
- (2) estimated time and date of arrival;
- (3) transaction number (bar coded);
- (4) CCN; and
- (5) BN;

(b) long-room copy of the CCD (Inland/Rail/Marine/Air);

(c) permits, licences, certificates or authorizations, if applicable; and

(d) a commercial invoice, such as a CBSA invoice or a bill of sale. Invoice requirements are outlined in paragraph 46(b).

Processing

59. The exporter or carrier provides information on the goods to be imported to the importer or customs broker by facsimile or EDI. Documentation may include an invoice or bill of lading.

60. The importer or broker must submit the PARS release request to the CBSA a maximum of 30 calendar days before the goods arrive at the CBSA office of clearance. The release recommendation will be ready when the goods arrive, if the PARS information is submitted at least:

- (a) one hour in advance for EDI transmissions; or
- (b) two hours in advance for paper submissions.

61. The border services officer reviews the PARS release information, and updates ACROSS with a recommendation whether to release or refer the goods when they arrive in Canada.

62. The carrier or warehouse operator advises the CBSA when the goods arrive. For highway border clearance, the carrier gives the CBSA an invoice or bill of lading with the bar-coded CCN. When the goods are released, the border services officer will release-stamp this document and return it to the carrier as proof of clearance by the CBSA.

63. For non-highway border clearances, the carrier or warehouse operator transmits the CCN to the CBSA by the RNS. For more information, refer to the PRD. You can obtain copies of this document by writing to:

Manager
Electronic Commerce Unit
Innovation, Science and Technology Branch
Canada Border Services Agency
6th Floor
250 Tremblay Road
Ottawa ON K1A 0L8

64. When PARS shipments do not arrive within the prescribed time limits, paper permits, licences or certificates are returned to the importer or customs broker. CADEX and RNS clients are notified electronically of the release decision for both paper and EDI PARS.

Failed PARS

65. If a PARS shipment arrives before the release request has been processed, the shipment is often released at the border as an RMD. In order to avoid duplicate releases of the same shipment, the CCN submitted with the PARS request must be re-used on the CCD attached to the RMD release request. The CCN on the PARS bar code must be handwritten or typed on a blank CCD Form A8A(B). The A8A(B)s can be ordered from the National Distribution Centre by calling **1-800-959-2221**.

66. Alternatively, carriers may use their own pre-printed CCDs and cross out the existing bar-coded number and type or write the original failed PARS number in the previous CCN block.

67. In either instance, a notation "Failed PARS" must be clearly marked in the description field of the CCD. The original bill of lading or invoice with the PARS bar code should be given to the customs broker to include in the RMD package. This will allow border services officers to scan the CCN into ACROSS.

CFIA-PARS

68. For an EDI PARS request, the importer/broker will follow the procedures outlined in the ECCRD. Under this process, the importer/broker does not submit paper permits or certificates to the CBSA for processing. The importer or broker will transmit an OGD service option to ACROSS. The transaction will not be processed by the CBSA until approval has been received in ACROSS from the CFIA.

69. For a paper PARS request, the importer or broker will submit the release request to the Import Service Centre (ISC) of the CFIA. The package can be given directly to the ISC, if it is located at the point of importation, or sent by facsimile if it is not. This package includes facsimile copies of required certificates, permits and licences. For meat and meat products imported from the United States, the CFIA-PARS release package must be submitted a minimum of 4 hours and a maximum of 72 hours before the shipment enters Canadian soil. It should be noted that the maximum time of 72 hours is to be maintained only for meat and meat products from the United States. After this period, the client is to cancel the EDI or Paper Request with CBSA and re-submit a new release request to the CFIA ISC.

70. If the CFIA recommends release of the goods, the ISC keeps copies of the certificates, permits and licences, and stamps the invoice with the CFIA stamp. Depending on local procedures, the ISC either submits the reviewed

release package to the CBSA for further processing or returns it to the importer or broker, who then submits it to the CBSA. If the release request is unacceptable, the CFIA attaches a reject form to the package and returns it to the importer or broker for correction.

71. The CFIA can be contacted at www.inspection.gc.ca or at the following ISCs:

Eastern Canada:

Telephone: **1-877-493-0468** (inside Canada or United States)
1-514-493-0468 (all other countries)
Facsimile: 1-514-493-4103

Central Canada:

Telephone: **1-800-835-4486** (inside Canada or United States)
1-905-795-7834 (all other countries)
Facsimile: 1-905-795-9658

Western Canada:

Telephone: **1-888-732-6222** (inside Canada or United States)
1-604-666-9240 (all other countries)
Facsimile: 1-604-666-1577

MULTIPLE PARS FOR LESS THAN TRUCKLOAD (LTL) CARRIERS

72. An optional procedure for less than truckload (LTL) carriers has been developed and is outlined in the following paragraphs. LTL carriers carry many different shipments rather than one shipment making up a full truckload. This does not change the transactional documentation requirements for submitting PARS release requests for pre-arrival review.

73. The LTL carrier will produce a PARS consist sheet and a stack manifest (report consolidation list for LTL carriers) instead of producing an invoice or bill of lading for each shipment. Invoices or bills of lading have to be produced upon request only. This allows the CBSA to process the LTL shipments quickly and efficiently, while handling less paper. PARS consist sheets and stack manifests are not CBSA forms and may be presented in various formats. Examples of these documents are found in Appendix F.

74. The PARS consist sheet features a bar-coded CCN for each shipment on the trailer and a space to the right of each bar code for a CBSA release stamp. The consist sheet must contain the minimum information:

- (a) date;
- (b) trailer number;
- (c) carrier name; and

(d) machine readable bar-coded CCN for each PARS shipment.

75. The stack manifest is the carrier's consolidated report identifying each shipment in the load. It must contain the following minimum information:

- (a) date;
- (b) trailer number;
- (c) carrier name; and
- (d) identifier number unique to each shipment (carrier's internal number system used as reference only).

76. A set of two bar codes is required for each CCN. The first bar code is applied to the PARS documentation, which is faxed to the broker. The second bar code is applied to the consist sheet.

Processing

77. Multiple PARS releases reported by LTL carriers are processed in the commercial CBSA office, not at the Primary Inspection Line (PIL). When each shipment is released, the border services officer places a release stamp beside each CCN. The stack manifest is compared to the consist sheet to ensure all shipments are reported before release.

78. The stack manifest will list all shipments, regardless of service option. Shipments in the LTL trailer other than PARS (i.e., RMD, in bond) will be processed according to current procedures. The CBSA will verify that all shipments, regardless of service option, are processed before the trailer is released.

79. The CBSA will return the consist sheet and stack manifest to the carrier when all shipments are processed and the trailer is released. Copies of the consist sheet or stack manifest are not required by the CBSA after the trailer is released.

80. The CBSA will continue to notify the importer/broker of the release of goods through RNS or CADEX.

81. If the CBSA refers a PARS shipment for examination, the carrier must provide a copy of the related invoice/bill of lading upon request. In addition, if the importer/broker requires a copy of the related invoice/bill of lading, the carrier is responsible for providing it to the importer/broker (post release).

RELEASE ON FULL DOCUMENTATION (RFD)

82. The RFD program allows importers/brokers with account security to transmit a single electronic message containing both release and accounting information. Payment is not required at the time of release, but is submitted according to prescribed time frames. More

information on payment is found in Memorandum D17-1-5, *Importing Commercial Goods*.

83. RFD benefits both the client and the CBSA through improved efficiency and cost savings associated with preparing, transmitting, processing and storing one electronic message instead of two.

84. RFD service options can be transmitted by EDI only. Release requests can be transmitted in one of two ways:

- (a) G7 EDIFACT (IM1) message based on the UN/EDIFACT Version 00A; or
- (b) CADEX "ER" message based on the CBSA proprietary message.

85. The G7 EDIFACT message is based on standards developed as the result of an initiative by the Group of Seven Industrialized Nations (G7) to harmonize import and export data required by traders in the G7 countries.

86. An RFD request contains all data elements required under the Memoranda of Understanding with Statistics Canada and the U.S. Customs and Border Protection.

87. Permits issued by DFAIT can be transmitted electronically from the EICS to ACROSS. More information on EICS can be found in Memorandum D19-10-2, *Export and Import Permits Act (Importations)*. The RFD cannot be used for goods with any other type of OGD requirement.

88. More information on the RFD service options can be found in the *Release on Full Documentation Participants' Requirements Document* (RFD PRD). You can obtain this document by writing to:

Manager
Electronic Commerce Unit
Innovation, Science and Technology Branch
Canada Border Services Agency
6th Floor
250 Tremblay Road
Ottawa ON K1A 0L8

or visit the CBSA web site at www.cbsa.gc.ca.

PRE-ARRIVAL FULL DOCUMENTATION (PAFD)

89. The RFD Program also has options for transmission of pre-arrival release requests. PAFD shipments are processed in the same way as PARS shipments. PAFD shipments arriving at highway border locations will use PARS bar-coded CCNs.

90. PAFD release requests may be presented up to 30 days before arrival, but no earlier than the date of direct shipment. The PAFD release request cannot be sent before the date of direct shipment because the importer or broker must include the currency exchange rate in the accounting

information, and this will not be available in advance. A PAFD release recommendation will be ready when the goods arrive, if the PAFD information is submitted at least one hour in advance.

SHORT-SHIPPED GOODS

91. Short-shipped goods are reported when the quantity of goods originally reported to the CBSA is different from that received by the importer or broker. There are two shortage situations:

(a) Short-shipped goods are documented on an **Entered to Arrive (ETA)** release request when the total number of packages originally reported does not match the number of packages received by the consignee or importer.

(b) Short-shipped goods are documented on a **Value Included (VI)** release request when the number of articles originally reported as contained in a package does not match the contents.

92. Goods cannot be released under ETA and VI release options when:

(a) the importer/customs broker is aware that the entire quantity of the goods reported on the invoice will not be in the shipment when it arrives in Canada;

(b) the border services officer finds that the quantity reported does not match the quantity found during examination of the goods;

(c) the goods are reported to be on back-order; or

(d) the goods are bonded warehouse shortages. Refer to Memorandum D7-4-4, *Customs Bonded Warehouses*.

93. In these cases, only the goods that were actually shipped will be documented on the RMD package. The remaining goods will be processed separately when they arrive in Canada.

94. The exception is multi-load steel shipments covered by one permit issued by DFAIT. The entire quantity of goods reported on the invoice may be accounted for when the first shipment arrives. Subsequent shipments may be processed as ETA on their arrival, if the quantity is within the quantity allowed by the permit, and the permit is still valid.

Processing

95. ETA and VI shipments can be presented as paper release requests only, regardless of the service option used for the original release request.

96. If a shortage is discovered after release but before final accounting, the importer or broker has two options:

(a) to account for the total quantity and have the balance of the goods released as an ETA or VI when they arrive; or

(b) to provide the CBSA with evidence of the shortage with the final accounting document and account for the goods on hand only. When the remaining goods arrive, they should not be reported as a shortage. Instead, standard release procedures will apply.

97. If the importer or customs broker is a CADEX participant, the final accounting document will be transmitted for the total quantity received as usual. If payment is to be made for the goods received only, the evidence of shortage must be presented at the office where the goods were released, so that it can be verified and attached to the original release record.

98. When goods are released as an ETA or VI, the accounting time limits will start on the date of release of the first shipment.

99. If the shortage is discovered after final accounting, either the balance of the short-shipped goods may be released as an ETA or VI, or a claim may be made for a refund if the importer does not expect the goods to be delivered at a later date. To obtain a refund, a claim, with evidence of the shortage, must be submitted to any CBSA office in the region where the goods were released. Memorandum D6-2-2, *Refund of Duties*, contains further information on refund procedures.

Documentation

100. The documents required to release short-shipped goods as ETA are:

(a) one copy of the documentation supporting the claim for the shortage, e.g., a shipping order or letter from the shipper, vendor or manufacturer indicating that the goods were not shipped;

(b) one copy of a new CCD showing the number of pieces short-shipped with a reference to the CCN of the original shipment in the description field. When more than one carrier is involved, a loading sheet from the original carrier is required to substantiate the shortage;

(c) two copies of the invoices covering the original shipment. This invoice should contain the following information:

- (1) importer BN;
- (2) transaction number of the original shipment;
- (3) notation "ETA Shortage;"
- (4) indication of which goods were short-shipped; and

(5) original CBSA release office.

101. The documents required for short-shipped goods to be released as a VI transaction are:

- (a) two copies of the original documentation supporting the claim for the shortage;
- (b) one copy of a new CCD showing the number of pieces short-shipped, with a reference to the CCN of the original shipment in the description field;
- (c) two copies of an invoice containing an accurate description of the short-shipped goods. This invoice should contain the following information:
 - (1) importer/exporter account number or BN of the importer;
 - (2) transaction number of the original shipment (a new transaction number is not acceptable);
 - (3) a notation "VI Shortage;"
 - (4) name of the original CBSA release office; and
 - (5) invoice page and line number for the original transaction relating to the short-shipped goods.

Known Short Shipments

102. A commodity invoiced as a single transaction may have to be imported in separate loads due to the nature of the shipment. For example, certain machinery, equipment, and large systems such as an oil rig must be shipped in multiple loads over time. In these cases, the entire quantity of goods will be accounted for when the first shipment arrives, and the remainder will be processed on importation as ETA. All the ETA shipments have to be processed within 12 months from the date of accounting of the first shipment.

103. Before the goods arrive, a written request must be submitted to the chief or superintendent at the CBSA office where the first shipment is to be imported. The request should include the following information:

- (a) reason for shortage;
- (b) name and BN of the importer;
- (c) name of the exporter;
- (d) unit of measure and quantity of goods;
- (e) value of the goods;
- (f) detailed description of the goods;
- (g) country of origin;
- (h) number of ETAs; and
- (i) estimated date(s) of arrival including the completion date.

104. If the request is approved, the CBSA will send a letter of authorization to the importer or broker and retain the information pending arrival of the first shipment and all ETAs.

105. For the first shipment, the importer or customs broker can present a paper PARS with the letter of authorization to the designated CBSA office before the goods arrive or present a copy of the letter with either a paper RMD or a Form B3 after the goods arrive.

Documents

106. The documents required for this type of ETA release are:

- (a) a copy of the letter of authorization;
- (b) a new CCD; and
- (c) two copies of the invoice(s) covering the original shipment containing the following information:
 - (1) importer BN;
 - (2) transaction number of the original shipment;
 - (3) name of the original customs release office;
 - (4) notation "ETA Shortage"; and
 - (5) actual quantity being released.

107. Following normal ETA processing in ACROSS, the CBSA will retain a copy of the ETA release package. When an ETA is processed at a CBSA office other than the original office of release, the CBSA copy of the ETA release package will be forwarded to the original office of release.

SPLIT SHIPMENTS – AIR MODE

108. In the case of a split shipment, the duties payable on the total quantity must be accounted for and the remaining portion released as ETA goods. The same procedures will apply as for the ETA procedures outlined earlier in this Memorandum, except that the carrier must submit the original cargo waybill, stamped *split shipment*, to the CBSA to support the release of the subsequent shipments. Memorandum D3-2-2, *Air Cargo – Import and In-transit Movements*, contains the reporting requirements for split shipments arriving by air.

CUSTOMS SELF-ASSESSMENT (CSA)

109. CSA streamlines the import process for pre-approved Canadian importers by using their internal business systems and processes in place of the traditional customs process. Under CSA, most elements of the import process from clearance, accounting, adjustment and payment of duties are modified. CSA has introduced two key changes to release.

110. At the first point of arrival, only three CSA data elements are generally required—identification of the CSA-approved importer, carrier and registered driver. This information is electronically verified at PIL and the carrier is “authorized to deliver.”

111. Release is no longer generated by a CBSA decision. Instead, CSA release occurs when the shipment is received by the importer, owner or consignee and the carrier has a signed proof of delivery.

112. CSA-approved importers may use non-CSA service options for release with the CSA payment time frames.

113. Memorandum D17-1-7, *Customs Self Assessment Program for Importers*, contains further information on the CSA Program.

ADDITIONAL INFORMATION

114. For more information on release procedures or completing CBSA documents, please call the Border Information Service (BIS):

From within Canada, call: **1-800-461-9999** (toll free)

From outside Canada, call: 204-983-3500 or
506-636-5064 (long-distance charges will apply)

115. BIS provides recorded information on many common topics 24 hours a day. An agent is available during regular business hours, Monday to Friday (except holidays) from 8:00 a.m. to 4 p.m. local time, across Canada for more specific inquiries.

116. D memoranda and other CBSA information are also available on the CBSA web site at **www.cbsa.gc.ca**.

APPENDIX A

FORM Y50, REJECT CONTROL DOCUMENT

PROTECTED (WHEN COMPLETED)
 PROTÉGÉ (UNE FOIS REMPLI)

REJECT DOCUMENT CONTROL
 CONTRÔLE DES DOCUMENTS REJETÉS

Transaction / cargo control number — Transaction / numéro de contrôle du fret

Returned for correction
 Retourné pour être corrigé

Corrected
 Corrigé

Customs office
 Bureau
 des douanes

| | | |
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Importer — Agent - Importateur — Mandataire

| Administrative reject - Rejet pour raisons administratives | |
|--|---|
| <input type="checkbox"/> Illegible data Données illisibles | <input type="checkbox"/> Business number Numéro d'entreprise |
| <input type="checkbox"/> Incomplete documentation Documentation incomplète | <input type="checkbox"/> Duplicate transaction number Numéro de transaction répété |
| <input type="checkbox"/> Coding errors Erreurs de codage | <input type="checkbox"/> Incomplete description of goods Description incomplète des marchandises |
| <input type="checkbox"/> Duplicate cargo control number Numéro du document de contrôle du fret répété | <input type="checkbox"/> Container number missing Numéro de conteneur à été omis |
| <input type="checkbox"/> Location of goods not indicated Location des marchandises n'est pas indiquée | <input type="checkbox"/> Other Autre |

| Enforcement reject - Rejet pour raisons d'exécution | |
|---|---|
| <input type="checkbox"/> Primary Primaire | <input type="checkbox"/> Secondary Secondaire |
| <input type="checkbox"/> Certificates/permits required Certificats/permis requis | <input type="checkbox"/> Description/quantity/value Description/quantité/valeur |
| <input type="checkbox"/> Marking Marquage | <input type="checkbox"/> Other gov't department examinations Examens des autres ministères |
| <input type="checkbox"/> Origin of goods Origine des marchandises | <input type="checkbox"/> Other Autre |

REMARKS - REMARQUES

| Customs officer - Agent des douanes | | |
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| _____ | _____ | _____ |
| Customs officer - Agent des douanes | Customs office of issue - Bureau de douane de délivrance | Date |

| Importer — Agent - Importateur — Mandataire | |
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| Importer — Agent - Importateur — Mandataire | Date |



APPENDIX B**MODE SPECIFIC TIME FRAMES FOR THE RELEASE OF GOODS**

The following table summarizes the earliest acceptable release time frames for the various modes of transport and service options:

| Mode | Carrier Code on RMD or PARS | Release Service Option | Condition | Earliest Time Frame to Report Arrival of PARS or Submit a RMD According to Conveyance Arrival |
|---------------|------------------------------------|-------------------------------|---|--|
| Air | Primary or Secondary | PARS | – PARS received and processed | – wheels up to destination CBSA office |
| | Primary | RMD | – cargo data made available to the CBSA for pre-arrival review (see note 1) | – wheels up to destination CBSA office |
| | Secondary | RMD | | – arrival at destination CBSA office |
| Rail | Primary or Secondary | PARS | – PARS received and processed | – 1 hour non-stop to Canada |
| | Primary | RMD | – cargo data made available to the CBSA for pre-arrival review (see note 2) | – 1 hour non-stop to Canada |
| | Secondary | RMD | | – arrival at destination CBSA office |
| Marine | Primary or Secondary | PARS | – PARS received and processed | – 12:01 a.m. on day of vessel arrival |
| | Primary | RMD | – cargo data made available to the CBSA for pre-arrival review (see note 3) | – 12:01 a.m. on day of vessel arrival |
| | Secondary | RMD | | – arrival at destination CBSA office (see note 4) |
| Hwy | Primary or Secondary | PARS | – PARS received and processed | – arrival in Canada |
| | Primary or Secondary | RMD | | – arrival at destination CBSA office |

APPENDIX B – cont.**MODE SPECIFIC TIME FRAMES****Note 1 – Air**

Cargo and conveyance supplementary data (as applicable) must be transmitted electronically to the CBSA at least four hours before the plane arrives at the airport in Canada, or by “wheels up” to Canada, if the flight is less than four hours.

***This does not apply where shipments will be transferred from a primary air sufferance warehouse type AA or AH to the freight forwarder warehouse type CW on the original air cargo document. Submission of RMD at the destination CBSA office will be upon arrival of the shipment at the destination warehouse.**

Note 2 – Rail

Rail carriers transmit their electronic cargo data to CBSA at least one hour before the train arrives at the Canadian border. The fifth digit of the cargo control number of the carrier’s cargo control document will contain an “E” to indicate that the cargo report to the CBSA is electronic. For example, 6666E123232222.

Note 3 – Marine

Cargo and conveyance data must be transmitted electronically in keeping with the Advance Commercial Information (ACI) time frames.

Note 4 – Marine

To avoid extra storage charges for the importer, an exception is made when there are multiple containers documented on one or more cargo control documents against one RMD that are not arriving at the CBSA office of destination at the same time. At least one of the containers must have arrived at the destination sufferance warehouse at the time the RMD is submitted. The remaining containers must have arrived at the port of report and be en route or awaiting furtherance to the inland destination.

APPENDIX C

EXCEPTION LEAD SHEET

Broker-Importer logo/ Logo courtier-importateur

EDI EXCEPTION LEAD SHEET
FEUILLE MAÎTRESSE D'EXCEPTIONS EDI

The following commercial shipment has been identified as an **EXCEPTION** to the requirements for EDI release under Customs Notice 08-009. / L'expédition commerciale suivante a été identifiée comme étant une **EXCEPTION** aux demandes de mainlevée EDI en vertu de l'Avis des douanes 08-009.

Transaction number- Numéro de transaction

Date

Importer/Broker- Importateur/Courtier

Reason for exception- Raison pour exception

| | | | |
|--------------------------|---|--------------------------|--|
| <input type="checkbox"/> | Invoice lines in excess of 100 lines Lignes de factures excèdent 100 lignes | <input type="checkbox"/> | More than one warehouse sub-location code Plus d'un code de sous-location d'entrepôt |
| <input type="checkbox"/> | Goods being released from Queen's Warehouse Marchandises qui doivent être retirées d'un dépôt en douane | <input type="checkbox"/> | OGD Paper Permit or Certificate required (no EDI link to CBSA) Permis en version papier ou certificat des AM requis (aucun lien avec l'ASFC) |
| <input type="checkbox"/> | Multiple Highway Cargo Control Numbers at Frontier Plusieurs numéros de contrôle du fret routier à la frontière | <input type="checkbox"/> | System Outage Interruption de système |
| <input type="checkbox"/> | Courier Low Value Shipment rejected (Y50) from Consist Sheet Expéditions de faibles valeur rejetées (Y50) de la feuille de décomposition | <input type="checkbox"/> | Shortages, Entered to Arrive, Value Included, Provisional, etc. Marchandies expédiées en moins, déclarées comme devant arriver, valeur déclarée lors d'un envoi antérieur, provisoire, etc. |
| <input type="checkbox"/> | Bonded warehouse RMD (grey wrapper) Entrepôt de stockage au moyen de l'option de MDM (feuille de soutien grise) | <input type="checkbox"/> | Other - (please specify below) Autre - (SVP spécifier en dessous) |

Remarks- Remarques

APPENDIX E

| | | | |
|------------------------------------|-----------------|----------------------|--------------------|
| Line Release | | | |
| Sample of a PARS Lead Sheet | | | |
| | | PARS | |
| (For customs Use) | TRANSACTION NO. | | |
| | BUSINESS NO. | NO. OF INVOICE PAGES | |
| | IMPORTER NAME | | |
| PORT | CARGO NUMBER | | ETA DAY MONTH |

APPENDIX F

PARS CONSIST SHEET AND STACK MANIFEST

**CARRIER NAME
CONSIST SHEET**

| | |
|---------------------------|-----------------------------|
| DATE: _____ | REFERENCE NO.: _____ |
| TRAILER NO.: _____ | |

CHECKED IN RNS BY _____

| NO. | PARS BAR CODE | CUSTOMS STAMP | COMMENTS |
|------------|----------------------|----------------------|-----------------|
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REFERENCES

| | |
|---|--|
| <p>ISSUING OFFICE –</p> <p>Release and Warehouse Programs Border and Compliance Programs Directorate</p> | <p>HEADQUARTERS FILE –</p> <p>7632-0 G/3520/280/D17-1-4</p> |
| <p>LEGISLATIVE REFERENCES –</p> <p><i>Customs Act</i>, sections 31, 32, 33, and 35</p> | <p>OTHER REFERENCES –</p> <p>D1-2-1, D3-1-1, D3-2-2, D5-1-1, D6-2-2, D7-4-4, D8-1-4, D8-1-7, D17-1-2, D17-1-5, D17-1-7, D17-1-10, D17-2-3, D19-10-2</p> |
| <p>SUPERSEDED MEMORANDA “D” –</p> <p>D17-1-4, March 22, 2007</p> | |

Services provided by the Canada Border Services Agency are available in both official languages.