



Memorandum D17-5-1

Ottawa, October 16, 2017

Payment of Duties and Taxes on Imported Commercial Goods

In Brief

This memorandum is being issued to explain to importers and licensed customs brokers the Canada Border Service Agency (CBSA)'s policies and procedures for the payment of duties and taxes on imported commercial goods. This memorandum replaces the payment policies and procedures outlined in [Memorandum D 17-1-5, Registration, Accounting and Payment for Commercial Goods](#), [Memorandum D17-1-8, Release Prior to Payment Privilege](#) and [Memorandum D23-3-1, Customs Self-Assessment Program for Importers](#).

Legislation

[Customs Act](#), Sections 3.1, 3.2, 17(3), 32(5), 33(1), 33(2), 33.4(1), 33.4(3), 33.7(3), 80, 80.1, 97.26

[Financial Administration Act](#), Sections 155(1), 155.1(1)

[Customs Tariff](#)

[Excise Tax Act](#)

[Excise Act 2001](#)

[Special Imports Measures Act](#)

[Accounting for Imported Goods and Payment of Duties Regulations](#)

[Interest Rate for Customs Purposes Regulations](#)

Definitions

The following definitions apply to this memorandum:

Account Security

Is the pre-authorized amount of money or a bond posted in accordance with [Memorandum D1-7-1, Posting Security for Transacting Bonded Operations](#) to secure the duties and taxes debt on imported goods.

Administrative Monetary Penalty System (AMPS)

Is a sanctions regime that authorizes CBSA to issue monetary penalties to commercial clients who violate CBSA's trade and border legislation. AMPS penalties provide the Agency with a means to deter non-compliance with legislation by commercial clients, and create a level playing field for all Canadian businesses by ensuring that there is a cost for non-compliance.

Business Number (BN9)

Is a 9 digit numerical Canada Revenue Agency (CRA) business registration number used to uniquely identify legal entity information of businesses when dealing with the federal, provincial and municipal governments (e.g., 123456789).

Credit

Is an amount owing to an importer from the CBSA and recorded to the importer's account.

Customs Account

Is an account established with the CBSA that records accounting transactions related to imported commercial goods, which include debts, credits and payments.

Customs Account Holder

Is an importer or licensed customs broker who is responsible for the payment of one or more Customs account(s).

Customs Self-Assessment (CSA) Importers

Are importers authorized under the CSA program to use the CSA accounting and payment processes for all commercial goods they import, regardless of the clearance process used to report the goods to the CBSA. The CSA Program is a CBSA program designed to streamline the import process for authorized low-risk importers who have the systems capability to self-assess the accounting for imported goods to the CBSA, including revenue reporting and the payment of duties and taxes.

Daily Notice (DN)

Is an electronic statement issued on a daily basis that displays accounting transactions that were recorded on a Customs account by the CBSA the previous business day, unless the previous day was a holiday (provincial civic holiday or statutory holiday) or there was no activity recorded on the account for the previous day.

Debt

Is an amount owing to the CBSA.

Disbursement

Is a payment made by the CBSA in the form of a cheque or direct deposit.

Duties

Are duties and taxes on imported goods. Under the [Customs Act](#), these include duties and taxes on imported goods under the [Customs Tariff](#), the [Excise Act 2001](#), [Excise Tax Act](#), the [Special Imports Measures Act](#) and any other Act of Parliament. However, for purposes of some sections and articles of the [Customs Act](#), the term 'duties' does not include the taxes applied under Part IX of the [Excise Tax Act](#) (i.e., the GST). This means that in the case of a request for a refund of duty, GST is not refunded. Under the [Customs Tariff](#), duties include duties and taxes levied on imported or exported goods, except for the duties and taxes provided for in Sections 53, 55, 60, 63, 68, or 78, or the temporary duties levied under any of Sections 69 to 76.

Electronic Data Interchange (EDI)

Is the electronic interchange of data between EDI-enabled commercial clients, their financial institutions and the CBSA. For example, EDI-enabled importers and licensed customs brokers can electronically remit their payments to the CBSA and can electronically receive their Daily Notices and Statements of Account from the CBSA.

Electronic Banking Services

Is the electronic service offered by financial institutions to their clients for making electronic payments.

Electronic Payments

Are payments sent electronically to the CBSA by the commercial client's financial institution when the client is EDI-enabled or uses a third party service provider, or when the client uses the financial institution's online (internet) banking services.

Importer Balance Overview Report

Is a report that lists all accounting transactions on an importer's Customs account.

Licensed Customs Broker

Is an individual, partnership, or corporation that acts as an agent to transact business with the CBSA on behalf of the owner or importer of goods. While for most purposes, any agent may represent a client when transacting business with the CBSA, only a licensed customs broker may account for goods and pay duties under Section 32 of the [Customs Act](#) as the agent of the owner or importer of the goods.

Off-Setting

Is a practice whereby all credit amounts owing to an importer are applied to the importer's account to reduce their balance owing. Off-setting is a financial management best practice, as a disbursement is not issued to a recipient who has outstanding debt.

Payment Deadline

Is 16:00 Eastern time on the payment due date.

Refund

Is an amount owing to an importer.

Release Prior to Payment (RPP) Privilege

Is a privilege that entitles importers with account security and importers without account security who are using a licensed customs broker to transact business with the CBSA on their behalf to:

- (a) Obtain the release of goods from the CBSA before paying duties and taxes; and
- (b) Defer accounting.

Refer to [Memorandum D17-1-8, Release Prior to Payment Privilege](#) for additional information.

Statement of Account (SOA)

Is an electronic statement for importers (excluding those under the Customs Self-Assessment Program) and licensed customs brokers that is issued on a monthly basis. The SOA displays account balances for a billing period, and includes a daily summary of accounting transactions made during the billing period that are due on the SOA payment due date, other accounting transactions that are due on their respective payment due dates and accounting transactions under review along with their respective payment due dates.

Guidelines and General Information

Types of Commercial Clients

1. For purposes of payment of Customs accounts, there are five types of commercial clients:

- (a) Importers who have posted security with the CBSA for release prior to payment privileges in accordance with [Memorandum D17-1-8, Release Prior to Payment Privilege](#);
- (b) Importers who have not posted security with the CBSA and are transacting business directly with the CBSA (and not through a licensed customs broker);
- (c) Importers who have not posted security with the CBSA and are transacting business with the CBSA through a licensed customs broker;
- (d) Licensed customs brokers who have posted security with the CBSA; and

- (e) Customs Self-Assessment (CSA) importers authorized under CBSA's CSA Program as explained in [Memorandum D23-3-1, Customs Self-Assessment Program for Importers](#).

Customs Accounts

2. To facilitate the payment of duties and taxes, all importers and licensed customs brokers are required to maintain a Customs account with the Canada Border Services Agency.
3. To be eligible for a Customs account, applicants must have a registered business number with the Canada Revenue Agency (CRA). For instructions on how to apply for a Customs account, refer to [Appendix A – Procedures to Set Up a Customs Account](#).
4. Accounting transactions related to the importation of commercial goods will be reflected on a Customs account.
5. Importers may authorize CBSA to provide an agent with Customs account information. For additional information, refer to [Appendix B – Procedures to Receive Daily Notices and Statements of Account by EDI](#).
6. Customs account holders may provide security to the CBSA in accordance with [Memorandum D17-1-8, Release Prior to Payment Privilege](#) to secure debt on their Customs account. This can be provided directly by an importer or through a licensed customs broker. The security secures the debt on the Customs account and the security holder is liable for the payment of this debt.

Debts, Credits, Off-Sets and Disbursements on Customs Accounts

7. All debts related to the importation of commercial goods will be recorded on a Customs account.
8. All refunds will be issued as credits on a Customs account.
9. Credits will be used to off-set debts on a Customs account. The off-set will occur prior to the end of the payment period and before a Statement of Account is issued.
10. If the original refund request was submitted by an agent, the credit will be issued on the Customs account and will also be associated to that agent. When that credit is used to off-set debt, priority is given to debt that is also associated to that agent. Any residual credit may be used to off-set debt that is associated to another agent.
11. A disbursement will not be issued to an importer who has any debt on their Customs account. In exceptional circumstances, a Customs account holder can request a disbursement by following the [Procedures to Request a Disbursement in Exceptional Circumstances](#) in [Appendix C](#).
12. If after off-setting has occurred, a Customs account shows a credit balance and there is no debt associated with the account, a disbursement may be issued to the importer. A disbursement may only be issued if the credit balance exceeds the Agency threshold; or, if the credit balance is less than the Agency threshold, when the account has been showing a credit balance for two consecutive months or longer.

Monitoring Customs Accounts

13. It is the responsibility of all Customs account holders either directly or through an agent to:
 - (a) Monitor their Customs account balances and ensure payments are submitted by the payment due date; and
 - (b) Monitor activity on their Customs account and ensure no errors have been made.
14. To facilitate the monitoring of Customs account balances, Daily Notices (DNs) and Statements of Account (SOAs) are sent to Customs account holders by EDI. If a licensed customs broker or other agent has been identified to receive DN's and/or SOAs on behalf of an importer, this information will be provided to the licensed customs broker or other agent. To set up receipt of DN's and SOAs, refer to [Appendix B – Procedures to Receive Daily Notices and Statements of Account by EDI](#). Customs account holders who are not EDI-enabled can either:
 - (a) Become EDI-enabled;

- (b) Make arrangements with a third party service provider or licensed customs broker who is EDI-enabled in order to receive DNAs and SOAs by EDI. To become EDI-enabled or engage a third party service provider, refer to [Becoming an EDI Client](#); or
- (c) Request a monitoring report. To request reports, refer to [Appendix D – Procedures to Request Monitoring Reports](#).

Customs Account Corrections

15. Customs account holders may request corrections to their Customs account information.
16. If the correction relates to payment information, interest or penalties, a request for a correction can be submitted by following the [Procedures to Request a Correction to Payment Information, Interest or Penalties in Appendix E](#).
17. When corrections are requested and not processed before the SOA issuance date, Customs account holders are still required to pay the full balance owing on their Statement of Account by the payment due date. Once the correction is processed, if an overpayment has occurred, a credit will be applied to the Customs account that will be subject to off-set or disbursement in accordance with the above section.
18. Customs account holders cannot request changes to trade related information (i.e., any changes to the accounting information provided on form B3, Canada Customs Coding Form) through their Customs account. For these types of changes, Customs account holders should refer to [Memorandum D 17-1-5, Registration, Accounting and Payment for Commercial Goods](#) or [Memorandum D17-2-1, The Coding, Submission and Processing of Form B2 Canada Customs Adjustment Request](#).

Payment of Customs Accounts

19. It is expected that all Customs account holders pay their account balance in full with one payment:
- (a) By the payment due date for each payment period, for Customs accounts where security exists; or
 - (b) At the time when the goods are released for Customs accounts where no security has been posted.
20. Payments are permitted at any time, provided that the full balance of the SOA is received by the payment due date. Refer to the [Procedures for Payments in Appendix F](#).
21. All payments from Customs account holders are applied first to CBSA charges and then to the oldest transaction in sequence unless a transaction is under appeal.

Acceptable Forms of Payment

22. Customs account holders with monthly account balances of more than \$50,000 must submit their payments electronically.
23. Acceptable forms of electronic payment include online banking and Electronic Data Interchange (EDI). When making electronic payments, refer to the [Procedures for Online Banking and EDI Payments in Appendix G](#).
24. Customs account holders making payments of less than \$50,000 are also encouraged to submit their payments electronically.
25. When electronic payments are not possible, payments can be made:
- (a) By cheque:
 - i. For Customs account holders with monthly account balances, cheques must be received at CBSA payment reception centre by the payment deadline on the payment due date. Refer to the [Procedures for Payments by Cheque in Appendix H](#);
 - ii. If a payor does not have their own account security, cheques over \$5,000 must be certified;
 - iii. A charge may be applied for dishonoured cheques;

iv. If a payor with or without account security submits two dishonoured cheques within a period of six consecutive months, a certified cheque will be required for all future payments;

(b) By credit card (for amounts less than \$5,000) or debit card (subject to the limit imposed by the card's financial institution) at the port of entry.

26. The CBSA does not accept cash, travellers' cheques or wire transfers as forms of payment.

27. The CBSA will accept bank remittances as a method of payment from CSA importers and other commercial clients in exceptional pre-approved circumstances only if the Customs account holder is paying the account balance for a single Customs account in full. To request approval to make a bank remittance, refer to the Procedures to Request Approval to Make a Bank Remittance in [Appendix I](#).

28. The CBSA accepts payments in Canadian currency only.

Payment Due Date and Late Payment

29. Payment due dates are communicated to Customs account holders at the beginning of the calendar year.

30. All payments of monthly Customs account balances must be received by the CBSA by 16:00 Eastern time on the payment due date.

31. If full payment has not been received by the payment deadline, a late payment penalty may be applied to a Customs account. For more information on penalties, refer to [Memorandum D22-1-1, Administrative Monetary Penalty System](#).

32. In these circumstances, late payment interest may also be applied on the outstanding balance of the Customs account at the specified interest rate. Refer to [Memorandum D11-6-5, Interest and Penalty Provisions: Determinations/Re-determinations, Appraisals/Re-appraisals, and Duty Relief](#) for additional information.

33. Customs account holders who do not pay the full account balance may be subject to an administrative fee. This fee will cover the additional costs related to the manual allocation of payments to each Customs account. This fee may be waived if the payment is received electronically.

34. Late payment penalties, late payment interest and administrative fees will appear on a Customs account holder's Daily Notice and monthly Statement of Account. These charges will be reflected in the monthly account balance.

Collections

35. Customs accounts with outstanding unpaid debt will not be considered in good standing.

36. After the payment due date, the CBSA may issue a Notice of Arrears to the importer that displays the amount overdue and includes late payment penalties and interest owing at the specified interest rate (from the calendar day immediately following the payment due date to the date of the Notice of Arrears), and collection actions may be initiated.

37. When Customs accounts are not in good standing:

(a) A claim may be made against the posted security;

(b) A lien under Section 97.25 of the [Customs Act](#) may be applied preventing any further release of goods for that importer;

(c) The importer may be required to pay the duties and taxes on imported goods at the time when the goods are released.

38. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time / except holidays). TTY is also available within Canada: **1-866-335-3237**.

Appendix A

Procedures to Set Up a Customs Account

Importers

1. Register with the [Canada Revenue Agency \(CRA\)](#) to obtain a 9 digit business number and open one or more import-export RM accounts. Business number import-export RM accounts assigned by the CRA are 15 digits (ex. 123456789RM0001).
2. To obtain the release prior to payment privilege in accordance with [Memorandum D17-1-8, Release Prior To Payment Privilege](#), contact the Commercial Registration Unit (CRU) by email at [CBSA-ASFC Commercial Registration Agreement commercial@cbsa-asfc.gc.ca](mailto:commercial@cbsa-asfc.gc.ca). CRU will issue a 5 digit account security number (ASEC) to the importer.

Customs Brokers

1. Register with the [Canada Revenue Agency \(CRA\)](#) to obtain a 9 digit business number.
2. Contact the Commercial Registration Unit (CRU) by email at brokers_licensing_agreement_des_courtiers@cbsa-asfc.gc.ca to post security with the CBSA in accordance with [Memorandum D17-1-8, Release Prior To Payment Privilege](#) as part of the customs brokerage application (refer to [Memorandum D1-8-1, Licensing of Customs Brokers](#)). CRU will issue a 5 digit account security number to the licensed customs broker.

Consultants

1. Register with the [Canada Revenue Agency \(CRA\)](#) to obtain a 9 digit business number.
2. Contact the Commercial Registration Unit (CRU) by email at [CBSA-ASFC Commercial Registration Agreement commercial@cbsa-asfc.gc.ca](mailto:commercial@cbsa-asfc.gc.ca) to obtain a 5 digit number that will be used as a substitute for an account security number in CBSA's financial system.

The following definitions apply to these procedures:

- **Account Security Number (ASEC)** is a 5 digit number assigned by the CBSA to an importer or licensed customs broker who has posted security with the CBSA.
- **Business Number RM Account (BN15)** is a 15 digit number assigned by the CRA, made up of the business's 9 digit business number appended by a 6 digit alpha-numerical number used to uniquely identify the business's import-export accounts (e.g., 123456789RM0001).
- **Consultant** is an individual or corporation who provides services to an importer for reviewing previous B3-3 Canada Customs Coding Forms and preparing a B2 Canada Customs Adjustment Requests to request a credit of the duties and taxes paid, while abiding within the applicable legislation.

Appendix B

Procedures to Receive Daily Notices and Statements of Account by EDI

1. Complete the [Electronic Data Interchange \(EDI\) Application For Daily Notice \(DN\) and Statement of Account \(SOA\)](#) form or send an email to the Technical Commercial Client Unit (TCCU) at tccu-ustcc@cbsa-asfc.gc.ca to request the form. This form includes the importer's authorization to provide a third party service provider with all importer information.
2. Print, sign, scan and email the completed form to tccu-ustcc@cbsa-asfc.gc.ca or fax it to 343-291-5482.
3. TCCU will review your application for completeness and validity, and will process your application within 10 business days. When accepted, TCCU will send an acknowledgement letter to the applicant. The first DN will be sent electronically to the applicant within 24 hours of acceptance of the application and the first SOA at the end of the billing period.

Note:

- DNs and SOAs will not be sent by email.

Appendix C

Procedures to Request a Disbursement in Exceptional Circumstances

1. Send an email request to the CBSA at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca that explains the circumstances and provides justification for a disbursement.
 - Start the subject line of the email with “**Disbursement Request**”.
2. The CBSA will analyze requests for disbursement on a case-by-case basis, and consider factors such as the amount of the credit, the length of time that the credit has been on the account, the likelihood of the credit being used to off-set debts in the upcoming months based on historical importation activities etc.
3. If the request is accepted, the CBSA will issue a disbursement to the importer.

Notes:

- Credits are first used to off-set debts on a Customs account before a Statement of Account is issued.
- Disbursements are not made to licensed customs brokers or consultants.
- The Agency has set the disbursement threshold at \$1,000.

Appendix D

Procedures to Request Monitoring Reports

1. Send an email request to the CBSA at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca:
 - Start the subject line of the email with “**Monitoring Report Request**” followed by the **Business Number RM Account (BN15)**.
2. Reports will be encrypted when sent by email.
3. A CBSA representative will contact the requestor and provide the required password to decrypt the file.

Note:

- Reports will not be sent to EDI-enabled Customs account holders as they already receive DNs and SOAs to monitor their accounts.

Appendix E

Procedures to Request a Correction to Payment Information, Interest or Penalties

1. Send an email request to the CBSA at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca:
 - Use the following format in the subject line of the email: **ACCOUNT CORRECTION \ [ACCOUNT #] \ [MONTH Statement of Account] or [DATE Daily Notice]**.

Where ACCOUNT is the licensed customs broker's ASEC or the importer's business number RM account. Include in the request an explanation of the required adjustment, justification and proof of payment.

2. CBSA will review and analyze the request, and if accepted, will process the required adjustments in CBSA's financial system.
3. CBSA will send an email reply to the Customs account holder.

Note:

- If the correction relates to penalties, follow the [correction process for the Administrative Monetary Penalty System](#) as outlined in Memorandum D22-1-1 rather than the procedures explained above.

The following definitions apply to these procedures:

- **Account Security Number (ASEC)** is a 5 digit number assigned by the CBSA to an importer or licensed customs broker who has posted security with the CBSA.
- **Business Number RM Account (BN15)** is a 15 digit number, made up of the business's 9 digit business registration number appended by a 6 digit alpha-numerical number used to uniquely identify the business's import/export accounts (e.g., 123456789RM0001).

Appendix F

Procedures for Payments

These procedures for payments address advance payments and interim payments only.

Advance Payments - Importers Under the GST Direct Payment Option or Importer Direct Security Option

1. Request the Importer Advance Payment form to the cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca and complete it.
2. Make the advance payment to the **Receiver General For Canada** using any acceptable form of payment.
 - When paying online, use your business number RM account as the account number for the payee and email the Importer Advance Payment form to the CBSA.Payments-Paiements.ASFC@cbsa-asfc.gc.ca.
 - When paying by EDI, enter the amount of the advance payment and your business number RM account in the EDI 820 payment message and email the Importer Advance Payment form to the CBSA.Payments-Paiements.ASFC@cbsa-asfc.gc.ca.
 - When paying by cheque, print your business number RM account on the back of your cheque and send the Importer Advance Payment form with the cheque to:

Canada Border Services Agency (CBSA)

MAILROOM

Attention: Accounts Receivable Management Unit

Ground Floor, Room 1018

333 North River Road, Place Vanier, Tower A

Ottawa, Ontario K1A 0L8

Telephone for courier reference purposes only: 343-291-5265

- When paying by credit or debit card, provide the Importer Advance Payment form to the CBSA cashier.

Advance Payments - Licensed Customs Brokers

1. Request the Licenced Customs Broker Advance Payment form to the cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca and complete it.
2. Make the advance payment by EDI, cheque, credit card or debit card.
 - When paying by EDI, enter the total amount of the advance payment, each individual importer's 15 digit business number RM account to be allocated funds from the advance payment, the amount of the advance payment to be allocated to each importer, the licensed customs broker's 9 digit business number and the licensed customs broker's 5 digit account security number in the EDI 820 payment message. Email the Licenced Customs Broker Advance Payment form to the CBSA.Payments-Paiements.ASFC@cbsa-asfc.gc.ca.
 - When paying by cheque, send a hard copy of the Licenced Customs Broker Advance Payment form along with the cheque to:

Canada Border Services Agency (CBSA)

MAILROOM

Attention: Accounts Receivable Management Unit

Ground Floor, Room 1018

333 North River Road, Place Vanier, Tower A

Ottawa, Ontario K1A 0L8

Telephone for courier reference purposes only: 343-291-5265

- When paying by credit card or debit card, provide the Licenced Customs Broker Advance Payment form to the CBSA cashier.

Interim Payments - Licensed Customs Brokers

Make the interim payment by EDI or cheque.

- When paying by EDI, enter the amount of the interim payment, the importer's 15 digit business number RM account, the licensed customs broker's 9 digit business number and the Customs account holder's 5 digit account security number in the EDI 820 payment message.
- When paying by cheque, print "Interim payment" the licensed customs broker's 15 digit business number RM account and the licensed customs broker's account security number on the back of the cheque and send the cheque to:

Canada Border Services Agency (CBSA)

MAILROOM

Attention: Accounts Receivable Management Unit

Ground Floor, Room 1018

333 North River Road, Place Vanier, Tower A

Ottawa, Ontario K1A 0L8

Telephone for courier reference purposes only: 343-291-5265

Interim Payments – Importers

Make the interim payment by EDI or cheque.

- When paying by EDI, enter the amount of the interim payment, the importer's 15 digit business number RM account and the account security number that is being used in the EDI 820 payment message. Use the account security number whose limit you are trying to avoid exceeding (your account security or a licensed customs broker's).
- When paying by cheque, print the importer's 15 digit business number RM account and the account security number that is being used on the back of the cheque. Use the account security number whose limit you are trying to avoid exceeding (your account security or a licensed customs broker's). Send the cheque to:

Canada Border Services Agency (CBSA)

MAILROOM

Attention: Accounts Receivable Management Unit

Ground Floor, Room 1018

333 North River Road, Place Vanier, Tower A

Ottawa, Ontario K1A 0L8

Telephone for courier reference purposes only: 343-291-5265

Notes - Advance Payments and Interim Payments:

- Refer to the Procedures for Online Banking and EDI Payments in [Appendix G](#) and the Procedures for Payments by Cheque in [Appendix H](#) where applicable.

The following definitions apply to these procedures:

- **Account Security Number** is a 5-digit number assigned by the CBSA to an importer or licensed customs broker who has posted security with the CBSA.
- **Advance Payment** is a payment made before the Statement of Account is issued to pay for a specific Customs account or debt.
- **Business Number RM Account (BN15)** is a 15 digit number assigned by the CRA, made up of the business's 9 digit business number appended by a 6 digit alpha-numerical number used to uniquely identify the business's import-export accounts (e.g., 123456789RM0001).
- **GST Direct Payment Option** is an option available to a resident importer who has a licensed customs broker acting on their behalf to transact business with the CBSA. Under this option, the importer agrees to pay the GST portion of all transactions processed during a billing period by the payment due date directly

to the CBSA (using an importer payment). Under exceptional circumstances only (when pre-approved following a request to cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca) the licensed customs broker may make the payment to the CBSA using a licensed customs broker payment. The purpose of this option is to allow for the reduction of the level of security that a licensed customs broker needs to post with the CBSA. An importer cannot be on the GST direct payment option and importer direct security option at the same time.

- **Importer Direct Security Option** is an option available to an importer who has a licensed customs broker acting on their behalf to transact business with the CBSA. Under this option, the importer is required to post security with the CBSA. The importer agrees to pay the full amount of duties and taxes owing for all transactions processed during a billing period by the payment due date directly to the CBSA (using an importer payment). Under exceptional circumstances only (when pre-approved following a request to cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca), the licensed customs broker may make the payment to the CBSA using a licensed customs broker payment. The purpose of this option is to allow for the reduction of the level of security that a licensed customs broker needs to post with the CBSA. An importer cannot be on the importer direct security option and GST direct payment option at the same time.
- **Interim Payment** is a payment made to avoid exceeding the level of posted security. An interim payment will be applied to Customs accounts in accordance with the upcoming Statement of Account.

Appendix G

Procedures for Online Banking and EDI Payments

Online Banking (Internet)

1. Contact your financial institution to ensure that your account is set up to access online banking.
2. Add “Canada Border Services Agency” or “CBSA Customs Duties Taxes” (or a similar name, depending on your financial institution) as a payee in your online banking portal.
3. For each payment, select the payee “Canada Border Services Agency” or “CBSA Customs Duties Taxes” and enter the amount of the payment.
4. Use your 15 digit business number RM account (ex. 123456789RM0001) as the account number for the payee.
5. Once submitted, the financial institution will send you a confirmation number. This message will serve as proof that the payment request was received by the financial institution, and must not be interpreted that funds were received by the CBSA.
6. Consult your financial institution to determine their daily cut-off times to ensure that payments are received by the CBSA on time. Once the payment has been received by the CBSA, the payment will be recorded in the importer’s account.

Note:

- Separate payments are required for each of the importer’s business number RM accounts.
- Certain financial institutions imposed value limit to those payments.

EDI Payments

1. Contact your financial institution to ensure that your account is set up for EDI payments.
2. Create an EDI 820 payment message as per the record layout definitions in the CBSA EDI Payment Implementation Guide and send it to your participating financial institution. In the EDI 820 payment message, enter the amount of the payment, the importer’s 15 digit business number RM account, the licensed customs broker’s 9 digit business number (if applicable) and the Customs account holder’s 5 digit account security number. Examples of the proper EDI 820 file layout are included as an Appendix to the EDI Payment Implementation Guide.
3. The financial institution will forward the EDI 820 message to the CBSA and transfer the payment to the CBSA EPAY account in the financial institution.
4. After the EDI payment message has been sent electronically, you will receive an EDI 824 message or similar notification from your financial institution or service provider to confirm that the payment was transferred by the financial institution or service provider, followed by an EDI 997 acknowledgement message or similar notification.
5. The EDI 997 acknowledgement message or similar notification will indicate:
 - (a) A positive EDI 997 message indicates that the payment has passed the initial validations, has been accepted by the CBSA and will be applied to the Customs account; or
 - (b) A negative EDI message indicates that there is an error in the file syntax that needs to be corrected. This means that the CBSA will not accept and process the file. For assistance with errors and technical information, refer to the CBSA EDI Implementation Guide.

A positive EDI 997 message serves as proof of payment.
6. Consult your financial institution to determine their daily cut-off times to ensure that payments are received by the CBSA on time. Once the payment has been received by the CBSA, the payment will be recorded in the importer’s account.

Notes on EDI Payments

- Importers who do not have their own EDI connection and want to submit an EDI payment can arrange with their participating financial institution to transfer the payment amount to the CBSA's bank account using an EDI 820 compliant interface.
- An EDI Payment Implementation Guide is available from CBSA by sending an email request to the CBSA at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca.
 - Start the subject line of the email with "**EDI Payment Implementation Guide**".

The following definition applies to these procedures:

- **Account Security Number (ASEC)** is a 5 digit number assigned by the CBSA to an importer or licensed customs broker who has posted security with the CBSA.
- **Business Number RM Account (BN15)** is a 15 digit number assigned by the CRA, made up of the business's 9 digit business number appended by a 6 digit alpha-numerical number used to uniquely identify the business's import-export accounts (e.g., 123456789RM0001).

Appendix H

Procedures for Payments by Cheque

1. Make all cheques payable to the “**Receiver General For Canada**” and send cheques to:

Canada Border Services Agency (CBSA)
MAILROOM
Attention: Accounts Receivable Management Unit
 333 North River Road, Place Vanier, Tower A
 Ground Floor, Room 1018
 Ottawa, Ontario K1A 0L8
 Telephone for courier reference purposes only: 343-291-5265
2. Include a copy of the first page of the Statement of Account or a copy of the transaction being paid by the cheque. Ensure that the copy shows legibly the account number against which the payment is to be applied.

Notes:

- Licensed customs brokers’ cheques must be for the total payable amount on the Statement of Account representing the amount owing for all importers for which the licensed customs broker has secured the transactions. The licensed customs broker must print the licensed customs broker’s account security number (ASEC) on the back of the cheque.
- Importers cheques must be for:
 - (a) The importer’s total GST payable for the month if the importer is on the [GST Direct Payment Option](#) found in Memorandum D17-1-8, *Release Prior to Payment Privilege*; or
 - (b) The importer’s total amount payable for the month (duties, taxes, SIMA, GST etc.) if the importer is on the Direct Security Option found in [Memorandum D17-1-8](#).

The importer must print the importer’s business number RM account on the back of the cheque.

3. Email any questions on the procedures for payments by cheque to the CBSA at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca.
 - Start the subject line of the email with “**Payments by Cheque**”.

The following definitions apply to these procedures:

- **Account Security Number** is a 5-digit number assigned by the CBSA to an importer or licensed customs broker who has posted security with the CBSA.
- **Business Number RM Account (BN15)** is a 15 digit number assigned by the CRA, made up of the business’s 9 digit business number appended by a 6 digit alpha-numerical number used to uniquely identify the business’s import-export accounts (e.g., 123456789RM0001).
- **GST Direct Payment Option** is an option available to a resident importer who has a licensed customs broker acting on their behalf to transact business with the CBSA. Under this option, the importer agrees to pay the GST portion of all transactions processed during a billing period by the payment due date directly to the CBSA (using an importer payment). Under exceptional circumstances only (when pre-approved following a request to cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca), the licensed customs broker may make the payment to the CBSA using a licensed customs broker payment. The purpose of this option is to allow for the reduction of the level of security that a licensed customs broker needs to post with the CBSA. An importer cannot be on the GST direct payment option and importer direct security option at the same time.
- **Importer Direct Security Option** is an option available to an importer who has a licensed customs broker acting on their behalf to transact business with the CBSA. Under this option, the importer is required to

post security with the CBSA. The importer agrees to pay the full amount of duties and taxes owing for all transactions processed during a billing period by the payment due date directly to the CBSA (using an importer payment). Under exceptional circumstances only (when pre-approved following a request to cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca), the licensed customs broker may make the payment to the CBSA using a licensed customs broker payment. The purpose of this option is to allow for the reduction of the level of security that a licensed customs broker needs to post with the CBSA. An importer cannot be on the importer direct security option and GST direct payment option at the same time.

APPENDIX I

Procedures to Request Approval to Make a Bank Remittance

Customs Self-Assessment Importers

1. Contact your assigned Senior Program Officer.

Other Commercial Clients

1. Send an email request to the CBSA at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca that explains the exceptional circumstances and provides justification to make a bank remittance.
 - Start the subject line of the email with “**Bank Remittance Approval Request**”.
2. The CBSA will analyze the request on a case-by-case basis, respond by email and if approved, will forward instructions on how to make the bank remittance.

References	
Issuing Office	Agency Comptroller, Comptrollership Branch
Headquarters File	
Legislative References	<p><i>Customs Act</i>, Sections 3.1, 3.2, 17(3), 32(5), 33(1), 33(2), 33.4(1), 33.4(3), 33.7(3), 80, 80.1, 97.26</p> <p><i>Financial Administration Act</i>, Sections 155(1), 155.1(1)</p> <p><i>Customs Tariff</i></p> <p><i>Excise Tax Act</i></p> <p><i>Excise Act 2001</i></p> <p><i>Special Imports Measures Act</i></p> <p><i>Accounting for Imported Goods and Payment of Duties Regulations</i></p> <p><i>Interest Rate for Customs Purposes Regulations</i></p>
Other References	D1-6-1 , D1-7-1 , D11-6-5 , D17-1-5 , D17-1-8 , D23-3-1
Superseded Memorandum D	