



Ottawa, December 9, 2008

MEMORANDUM D20-1-1

In Brief

EXPORT REPORTING

1. This In Brief page has been revised to denote changes made as a result of the Government of Canada's Paperwork Burden Reduction Initiative. This revision replaces the In Brief page dated September 10, 2008.
2. This memorandum is revised as a result of the Paper Burden Reduction Initiative. The revisions are aimed at eliminating obsolete and duplicated requirements, streamlining certain commercial processes and modifying complex policies and forms.
3. The key changes to the D20-1-1 are as follows:
 - (a) The carrier component of this memorandum has been removed. Air, highway, marine and rail carriers should refer to D3-1-8, *Cargo – Export Movements* for the policy and procedures respecting the report and control of cargo exported from Canada.
 - (a) The appendices have been removed.
 - (b) This memorandum has been updated to reflect current contact information.
4. Additional revisions to the text do not affect or change any of the existing policies or procedures contained in this memorandum.



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Ottawa, September 10, 2008

MEMORANDUM D20-1-1

EXPORT REPORTING

This memorandum outlines and explains the policy and procedures respecting the report of goods exported from Canada by an exporter.

Air, highway, marine and rail carriers should refer to D3-1-8, *Cargo – Export Movements* for the policy and procedures respecting the report and control of cargo exported from Canada.

The *Reporting of Exported Goods Regulations* can be found in Memorandum D20-1-0.

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GUIDELINES AND GENERAL INFORMATION

DEFINITIONS

- The following definitions apply in the *Reporting of Exported Goods Regulations* and this memorandum:
“Act” means the *Customs Act. (Loi)*

“bulk goods” means goods that are loose or in mass, such that they are confined only by the permanent structures of a large container or a transport unit, without intermediate containment or intermediate packaging. (*marchandises en vrac*)

“carrier”, in respect of goods that are exported, means the person, other than the exporter, who transports them from Canada. (*transporteur*)

“commercial goods” means goods that are exported for sale or for any industrial, occupational, commercial and institutional or other similar use. (*marchandises commerciales*)

“customs service provider”, in respect of goods that are exported, means a person who provides to the exporter, customs services relating to the exportation of the goods, other than the sole service of transporting the goods from Canada, and includes an agent of the exporter, a customs broker and a freight forwarder. (*prestataire de services douaniers*)

“exporter”, in respect of goods that are exported, means the holder of a business number for the purposes of the Act who exports commercial goods or causes them to be exported. (*exportateur*)

“export reporting office”, means a customs office designated under section 5 of the Act for the purposes of reporting goods that are exported. (*bureau de déclaration des exportations*)

“homogeneous goods” means goods that

(a) closely resemble each other in respect of their component materials and characteristics, and

(b) are intended to be used for the same purpose. (*marchandises homogènes*)

“time-sensitive goods” means goods that

(a) would lose their value or principal utility if not immediately exported for use within a limited time after the exportation, or

(b) are part of a manufacturing and stock control system in which goods are produced and delivered, as they are required. (*marchandises d'utilité temporaire*)

OTHER DEFINITIONS, TERMS AND ACRONYMS

2. For the purposes of this memorandum, the following definitions, terms and acronyms are provided:

“Bonded warehouse” is a place licensed by the Minister where non-duty paid goods may be stored. There are two types of bonded warehouses: (1) private warehouses operated by individuals or companies for storage of their own imported goods; (2) public warehouses operated by entrepreneurs for the storage of goods imported by various importers. In both cases, the

goods may be exported from the warehouse. (*entrepôt de stockage*)

“CAED” is the acronym for the Canadian Automated Export Declaration. (*DECA*)

“CBSA” is the acronym for the Canada Border Services Agency. (*ASFC*)

“CBSA control” refers to the manner under which goods move. It means that goods have been reported to the CBSA and are deemed to be in the process of being exported from Canada. Once the goods have been reported, the CBSA reserves the right to request that the goods be moved by bonded carrier or under customs seal or both if it is considered necessary for control purposes. The CBSA may also seal the goods if they are being moved to a secure place where they can physically inspect the goods. (*contrôle de l'ASFC*)

“consignee” means the person, firm or representative named in a freight contract to whom the goods are exported and who, upon presentation of the necessary documents, is recognized as the owner of the goods. The ultimate consignee is the final party who receives and takes ownership of the goods, cargo or containers that are exported from Canada. (*destinataire*)

“controlled goods” refers to goods that are prohibited, controlled or regulated under the Act or any other Act of Parliament.

Note: Controlled goods means the same as restricted goods in the Regulations. (*marchandises d'exportation contrôlées*)

“conveyance” as defined in the Act means any vehicle, aircraft or water-borne craft or any other contrivance that is used to move persons or goods. (*moyen de transport*)

“courier” means a commercial carrier that is engaged in scheduled international transportation of goods other than goods exported as mail, which is exported through Canada Post. (*messenger*)

“CRA” is the acronym for Canada Revenue Agency. (*ARC*)

“currency” includes all foreign and domestic banknotes and circulation coins. (*devise*)

“chief officer of the CBSA” in respect of an area or place, means the manager of the CBSA office or CBSA offices that serves that area or place. (*agent en chef de l'ASFC*)

“EDI” is the acronym for electronic data interchange. From the United Nations-backed electronic data interchange standards body; this is a set of standards that is used to define data sets in certain documents to standardize them for electronic transmission from one format to another. (*EDI*)

“emergency” means an urgent and critical situation of a temporary nature that:

- (a) is of such proportions or nature as to exceed the response capacity or authority of a foreign state, province or municipality;
- (b) is caused by an actual or imminent
 - (i) fire, flood, drought, storm, earthquake or other natural phenomenon,
 - (ii) disease in human beings, animals or plants,
 - (iii) accident or pollution, or
 - (iv) act of sabotage or terrorism; and
- (c) results or may result in
 - (i) danger to the lives, health or safety of individuals,
 - (ii) danger to property,
 - (iii) social disruption, or
 - (iv) a breakdown in the flow of essential goods, services or resources. (*urgence*)

“emigrant” means one who leaves the country permanently to settle in another country. (*émigrant*)

“export declaration” means a document containing information prescribed by the Minister to report goods that:

- (a) will be exported, e.g., CAED, G7 EDI Export Report, Form B13A, *Export Declaration*, or
- (b) have been exported, e.g., Summary Report. (*déclaration d’exportation*)

“GEP” is the acronym for General Export Permit. (*LGE*)

“goods” as defined in the Act includes, for greater certainty, conveyances, animals and any document in any form. For the purposes of this memorandum, it includes technology. (*marchandises*)

“GST” is the acronym for the Goods and Services Tax. (*TPS*)

“immediately before the exportation of the goods” for the purposes of the Regulations and this memorandum, means no later than immediately before the conveyance carrying the goods leaves Canada. (*immédiatement avant l’exportation des marchandises*)

“international commercial transportation” means:

- (a) any transportation resulting in, or intended to result in, the carriage of goods for hire or reward, the ultimate destination of which is not within Canada, or
- (b) any transportation of goods by or on behalf of an enterprise engaged in an activity of financial return, where the goods are conveyed:

(i) from a place inside Canada to a place outside Canada;

(ii) from a place outside Canada in transit through Canada to another place outside Canada;

(iii) from a place outside Canada to a place inside Canada, or

(iv) from a place inside Canada in transit through the United States to another place inside Canada. (*transport commercial international*)

“mail” means a letter or parcel transmitted through Canada Post. (*courrier*)

“monetary instruments” means the following instruments in bearer form or in such other form as title to them passes on delivery, namely,

- (a) securities, including stocks, bonds, debentures and treasury bills; and
- (b) negotiable instruments, including bank drafts, cheques, promissory notes, travellers’ cheques and money orders, other than:

(i) warehouse receipts or bills of lading, and,

(ii) negotiable instruments that bear restrictive endorsements or a stamp for the purposes of clearing or are made payable to a named person and have not been endorsed.

(*instruments monétaires*)

“MOU” is the acronym for Memorandum of Understanding and is a written description of what two or more parties agree to do as part of an administrative arrangement. An MOU is used when an activity is contemplated with an outside organization and the activity requires formalization in a manner that is non contractual and not legally binding. (*PE*)

“MOU participant” with respect to the exportation of goods, means a carrier or service provider who enters into a Memorandum of Understanding with the CBSA and agrees that it will transport for export or arrange for the transportation of only those goods that have been or will be reported by the exporter in accordance with the Regulations. (*participant à un PE*)

“NDR” is the acronym for No Declaration Required. (*ADR*)

“non-resident exporter” is an exporter who resides outside Canada, but exports goods from Canada. (*exportateur non résident*)

“non-controlled goods” means goods that do not require a permit under the Act or any other Act of Parliament. (*marchandises d’exportation non contrôlées*)

“Other Government Department(s)” means an agency, corporation or department of the federal government, other than CBSA. (*autre ministère*)

“OGD” is the acronym for Other Government Department(s). (*AM*)

“permit” includes a permit, licence or certificate. (*licence*)

“place of exit” means the location in Canada from which exports leave the country. (*lieu de sortie*)

“place of report” means:

(a) in the case of goods reported by paper, the export reporting office at which the B13A is stamped and the goods are available for inspection;

(b) in the case of goods reported electronically, the export reporting office closest to where the goods are loaded onto the conveyance for export and can be inspected before beginning their continuous movement from Canada. (*lieu de déclaration*)

“Regulations” means the *Reporting of Exported Goods Regulations*. (*Règlement*)

“report” means to submit the required export documentation to the CBSA. (*déclarer*)

“report in writing” means a report presented on paper or electronically. (*déclaration par écrit*)

“shipment” means separate identifiable goods or a collection of goods to be transported. (*expédition*)

“strategic goods” are goods subject to export controls and include arms, ammunition, implements of war, weapons-related materials, or any goods whose unauthorized export might be contrary to Canadian security, political and international interests. (*marchandises stratégiques*)

“sufferance warehouse” is a building or area approved by the CBSA that receives in-bond goods from a carrier and stores them before their accounting and release or other disposition such as exportation. These warehouses are normally located inland. (*entrepôt d'attente*)

“technology” is the specific information necessary for the development, production or use of an item on the Export Control List (ECL). It includes both technical data and technical assistance. Technical data include: blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals and instructions. Technical assistance includes: instruction, skills, training, working knowledge and consulting services, and may involve the transfer of technical data. (*technologie*)

“United States” means the United States of America, Puerto Rico and the U.S. Virgin Islands. (*État-Unis*)

WHY MUST EXPORTS BE REPORTED?

3. Goods being exported from Canada are required by law under Part V, sections 95 to 97.2, of the Act to be reported to the Government of Canada. The three main objectives of export reporting are to:

(a) control the export of strategic, and dangerous goods, as well as other controlled goods;

(b) collect accurate information on Canadian exports; and

(c) control the outbound movement of goods in transit through Canada.*

4. Canada has a responsibility to ensure that goods entering the international market from Canada do not pose a security threat to those countries. CBSA uses export reports to ensure compliance with Canadian export control legislation, and to support the Government of Canada’s commitment to international accords that oppose the spread of the destabilizing accumulation of conventional weapons and sensitive dual-use technology, as well as the spread of weapons of mass destruction or related technology.

5. Data obtained from export reports provide input to the system of national accounts (particularly the balance of payments and gross domestic product) and are used to formulate trade and budgetary policies. Governments, exporters, manufacturers and shipping companies use this information to monitor the volume of exports, changes in demand and market share, transportation requirements, and infrastructure needs such as airport and port maintenance. CBSA also uses these reports to enforce Canada’s policies regarding exports.

WHO MUST REPORT EXPORTS?

Prescribed Classes of Persons

6. Section 2 of the Regulations prescribes three classes of persons responsible for reporting exports. They are exporters, carriers* and customs service providers. Each class of persons is responsible for the export documents applicable to that particular group.

Exporters

7. The exporter is the person or company, including a non-resident exporter, who holds a Business Number (BN) and who exports commercial goods or has the legal right to cause them to be exported. The phrase “cause them to be exported” is not to be construed as the person involved in the transportation arrangements. A valid BN with the import/export RM account identifier is to be stated on the export declaration. This number identifies the exporter.

* Air, highway, marine and rail carriers should refer to D3-1-8, *Cargo - Export Movements* for the policy and procedures respecting the report and control of cargo exported from Canada.

8. For information on the BN, see the section called Business Number.

9. The exporter may delegate the act of completing and/or submitting export documents, but, ultimately, it is the exporter who remains responsible for ensuring that reporting is carried out accurately and within the required time frames.

Non-Resident Exporters

10. Non-resident exporters are subject to the same reporting requirements as Canadian exporters. When they export goods from Canada and an export declaration is required, they must ensure that the declaration is completed and submitted to the CBSA. To complete the export declaration, non-resident exporters must include their BN. If they do not have a BN, they must apply to the CRA and register for a BN and an import/export RM account. For more information, see the section called Business Number.

Note: Under the *Export and Import Permits Act*, the applicant for a permit must be a resident of Canada. Resident of Canada generally means a person who ordinarily resides in Canada and, in the case of a corporation, has its head office in Canada or is operating a branch office in Canada.

Scenarios Indicating the Identity of the Exporter

11. The following scenarios indicate who the exporter would be, i.e., who would be responsible for obtaining a BN and submitting the export documents.

(a) A Canadian company sells to a company in Germany. The Canadian company is the exporter.

(b) A Canadian company sells goods to a company in France, which is a registered non-resident exporter with a Canadian BN. The French company sells the goods to a company in the United Kingdom and arranges for the goods to be exported directly from Canada to the United Kingdom. The exporter is the non-resident French company.

(c) A Canadian company located in Halifax sells to a company in the United States, which is registered as a non-resident exporter with a Canadian BN. The terms of the sale are for the Canadian company to deliver the goods to a warehouse in Moncton, where the goods are consolidated by a freight forwarder. The goods are ultimately shipped to the Bahamas. The exporter is the non-resident company in the United States.

Carriers

12. Carriers as persons, other than the exporters, who transport goods from Canada, have certain reporting responsibilities under the Regulations. Air, highway, marine and rail carriers should refer to D3-1-8, *Cargo – Export Movements* for the policy and procedures respecting the report and control of cargo exported from Canada.

13. Air, marine, rail and highway carriers may submit export declarations to the CBSA on behalf of an exporter. However, the exporter is ultimately responsible for ensuring that the documents have been delivered to the CBSA.

Customs Service Providers

14. Customs Service Providers (CSPs) are agents, customs brokers and freight forwarders. Where CSPs are acting on behalf of the exporter, they will submit the export documentation according to the requirements specified for exporters.

15. For further information, see the section called Customs Service Providers Reporting.

WHAT GOODS MUST BE REPORTED?

Exports to the United States

Non-Controlled Goods

16. Under the MOU on the Exchange of Import Data between Canada and the United States, the Government of Canada receives export information on goods destined for consumption in the United States through the exchange of import data. Therefore, exporters **do not** have to prepare an export declaration for **any** goods that are exported to the United States, Puerto Rico, or the U.S. Virgin Islands.

Exception: Trains (railcars and engines) to the United States must be reported. This exception exists because there is a provision in American law that eliminates the need to declare these goods as imports. Thus, there is no provision for the United States to collect information on railcars and engines under the MOU and data on these exports are not available.

Controlled Goods

17. For controlled goods, which include goods covered under General Export Permits (GEPs), going to the United States for consumption, exporters must report these goods, regardless of their value. For details on the documents to be submitted to the CBSA, see the section called How to Report Controlled Goods.

Exception: Permits for softwood lumber destined for the United States do not have to be presented to the CBSA. However, permits are required for the export of certain softwood lumber products. For details on permits for softwood lumber, please contact the Softwood Lumber Division of Foreign Affairs and International Trade Canada at:

Softwood Lumber Division
Export and Import Controls Bureau
Foreign Affairs and International Trade Canada
125 Sussex Drive
Ottawa ON K1A 0G2

Phone: 613-944-2167
Fax: 613-944-1452

18. In accordance with section 8 of the Regulations, if, at the time of exportation, a border services officer has reasonable grounds to suspect that the goods are being exported contrary to an act of Parliament, the border services officer may request that the goods be reported in writing.

Note: While an export declaration is not required for any exports to the United States, if a border services officer requests a report in writing, an export declaration must be submitted.

19. For information on where to present export documents, see the section called Where to Report Exports.

Exports to Countries other than the United States

Goods Requiring an Export Declaration to Countries other than the United States

20. The following goods must be reported on an export declaration. In addition, the export of any goods that are controlled must be supported by the submission of the appropriate permit.

(a) Commercial goods valued at CAN\$2,000 or more
Commercial goods destined for a single consignee, when the total value of all the goods in the shipment is CAN\$2,000 or more.

(b) Controlled goods

All goods that are controlled, regulated or prohibited by any Act of Parliament must be reported, regardless of their value. This includes goods exported under GEPS.

Exception: Goods valued at **less than CAN\$2,000** and exported under GEP 12 for consumption in eligible destinations do not have to be reported to the CBSA by presenting an export declaration.

For information on how to report controlled goods, see the section called Reporting Controlled Goods to Countries other than the United States.

(c) Goods moving in transit through the United States to a third destination

Some goods move from Canada in transit through the United States for the purpose of being transported to another country for consumption, e.g., a shipment of non-controlled goods that exits Canada at Windsor, Ontario, by truck destined for Mexico. Because the ultimate destination of the goods is a country other than the United States, they must be reported if their value is CAN\$2,000 or more.

In addition, if the goods are controlled, the appropriate permit and an export declaration must be presented to the CBSA before the exportation, regardless of the value of the goods.

(d) Goods Exported from a Bonded Warehouse

Imported goods, other than alcohol and tobacco, that have entered the Canadian economy on a B3, *Canada Customs Coding Form* may be placed in a bonded warehouse prior to export. A B3 type 10 must be submitted to the CBSA to enter the goods into the warehouse inventory and a B3 type 21 must be presented to the CBSA prior to removal of the goods from the warehouse. All other export requirements apply. These imported goods may be stored in a bonded warehouse when:

(i) they have been manufactured or made into other goods and are to be exported and a claim for drawback may be submitted;

(ii) they have been sold abroad but cannot be exported immediately; or

(iii) other than alcohol and tobacco, they are sold as ships' stores to a ship's chandler or sold to a duty-free shop and have not yet been delivered to the end user.

Imported alcohol, other than beer, and tobacco, that have entered the Canadian economy and been placed in an excise warehouse can never be put in a bonded warehouse. Imported beer may continue to enter the bonded warehouse in the same way as any other imported goods.

Goods placed in an excise warehouse must be exported directly from the warehouse and reported to the CBSA as per the *Excise Act, 2001*, which is the responsibility of the Canada Revenue Agency (CRA). In particular, when alcohol and tobacco in an excise warehouse are sold as ships' stores, the export declaration must be completed and delivered to the CBSA. In many cases, the vessel or aircraft will return to Canada and the CBSA must be able to determine which goods are legally on board and placed under lock and key while in Canada. This is so that non-duty-paid goods do not enter the Canadian economy. When alcohol in an excise warehouse is sold as ships' stores or to duty-free shops, a drawback of the duty paid may be submitted and the GST recovered through an input tax credit. Excise duty is not paid because the alcohol was in an excise warehouse and sold for export.

Additional information respecting CRA requirements can be found on the CRA Web site at www.cra.gc.ca.

(e) Repairs, Additions or Processing Valued at CAN\$2,000 or More

Where the value of repairs or additions undertaken in Canada on temporarily imported goods is CAN\$2,000 or more, only the repairs or additions must be declared as exports, unless the repairs are the result

of a Canadian warranty. For more information on repairs under warranty, see paragraph 23(f)(xi).

Repair involves any action that restores an article to its original condition. The repair value includes labour costs, parts and any fees received or paid by the owner or the party contracting the repairs or additions.

Goods exported for processing or foreign goods that have been processed in Canada must be declared as exports. Processing involves any action(s), which alter(s) the original character of the goods and create a commercially different item. Processing includes work on unfinished or before-market goods. Goods exported for processing in a foreign country are to be valued according to the General Agreement on Tariffs and Trade (GATT) World Trade Organization (WTO) Valuation Agreement. The valuation of goods exported after processing in Canada must include the original cost of the materials, plus the cost of the Canadian processing. The amount of processing in Canada determines whether Canadian origin will apply.

(f) Certain non-commercial goods valued at CAN\$2,000 or more

Gifts or donations, (not personal) valued at CAN\$2,000 or more, are to be declared on an export declaration. These gifts and/or donations include articles of food, clothing, medicines and other goods leaving Canada under any form of aid program.

Personal effects and personal household effects of emigrants valued at CAN\$2,000 or more must be reported on an export declaration. These goods fall under the harmonized system (HS) classification code of 9806.10.00. Under the United Nations guidelines for trade, countries are asked to publish trade data of emigrants' personal effects.

Company transfers valued at CAN\$2,000 or more are to be reported. This includes goods, which cross borders as a result of transactions between parent corporations and their direct investment enterprises (affiliates/branches). These transfers include transactions between related companies. Related companies are defined in Memorandum D13-3-2, *Related Persons (Customs Act, Sections 45 to 53)*.

(g) Other goods

The following goods must be valued at CAN\$2,000 or more and must be reported:

(i) Contractors' equipment and tools, one year or more; Contractors' equipment and tools to be returned to Canada after completion of a contract of an expected duration of one year or more, and, similarly, foreign contractors' equipment re-exported after use in Canada.

(ii) Currency

Non-circulated currency is classified as goods with its own classification code and must be declared. In accordance with United Nations guidelines (*United Nations, International Merchandise Trade Statistics: Concepts and Definitions, 1998*), currency to be declared includes non-monetary gold, unissued banknotes and securities and coins not in circulation. These items are regarded as commodities rather than financial items. They are to be valued, based on the transaction value of the printed paper or stamped metal, rather than their face value, and credited to the printing or metal industries.

In addition, requirements for reporting currency and monetary instruments fall under the *Cross-border Currency and Monetary Instruments Reporting Regulations*. For further information, refer to those regulations or see Memorandum D19-14-1.

(iii) Credit

Items originally imported into Canada, which are being returned to the supply country for credit, must be reported.

(iv) Leased goods – one year or more

If the duration of a lease, loan or rental on any goods is expected to be one year or more, the goods must be reported.

(v) Samples – one year or more

Samples, including commercial samples for foreign consumption, are to be reported, if they are to be returned after one year.

(vi) Ships' stores – foreign carrier

Canadian goods, including foreign goods entering the Canadian economy, expected to be consumed during a voyage by non-Canadian carriers, must be reported. A foreign carrier is regarded as a foreign destination, where the goods are consumed outside Canada. If known, the home port and/or the name of the carrier company can be used to identify the nationality of the ship.

Note: Because of the nature of the shipping business, a ship may not be in port long enough to submit the export documentation 48 hours before the goods are loaded onto the ship. Therefore, the goods will be considered as just-in-time inventory, which falls under time-sensitive goods and may be reported immediately before their exportation.

In addition, when goods are exported under CBSA supervision, they must be documented on Form E15, *Certificate of Destruction/Exportation*. Further information on the form E15 is contained in Memorandum D20-1-4, *Proof of Export, Canadian Ownership, and Destruction of Commercial Goods*.

For information on when and where reporting must take place, see the section called Where to Report Exports.

Goods Not Requiring an Export Declaration to Countries other than the United States

21. The following goods do not have to be reported on an export declaration, unless their exportation is controlled, regulated or prohibited by any Act of Parliament. If the goods are controlled, the appropriate permit must also be presented. However, if, at the time of exportation, a border services officer has reasonable grounds to suspect that the goods are being exported contrary to an Act of Parliament, the border services officer may request that the goods be reported in writing by presenting Form B13A, *Export Declaration*.

22. These exceptions to reporting by an exporter are found in section 6 of the Regulations:

(a) Shipment of commercial goods valued at less than CAN\$2,000; and

(b) Goods brought into Canada on a temporary basis for repairs. This includes goods leaving Canada after having been brought in for repair, an addition or processing, where the repair, addition or processing is valued at **less** than CAN\$2,000.

23. The following goods do not have to be reported on an export declaration as the reporting and control of their movement falls under other CBSA regulations. If the goods are controlled, the appropriate permit must be presented.

(a) Foreign goods entering Canada in transit to another country

All goods that originate outside Canada and are in transit through Canada to a consignee in another country (e.g., United States to England) or in a different region of the same country (e.g., United States to United States) do not have to be reported on an export declaration.

(b) Canadian goods in transit through another country en route to Canada

Goods that were manufactured or produced in Canada and are exported from Canada to be transhipped through another country to another Canadian destination do not have to be reported on an export declaration.

(c) Goods moving on a temporary entry basis

(i) Goods brought into Canada on a temporary basis

Goods entering temporarily and accounted for on a form E29B, *Temporary Admission Permit*, on an ATA Carnet, or on a 1/60 or 1/120 basis are not recorded as imports or considered as products of Canadian origin.

(ii) Goods exported from Canada on a temporary basis

Goods temporarily exported from Canada do not have to be reported on an export declaration, because they will ultimately return to Canada within 12 months after the date of exportation, e.g., goods exported for repair or commercial samples.

However, to prove that these goods have not been permanently exported, the exporter should obtain an E15, *Certificate of Destruction/Exportation*, or, in the case of commercial goods accompanying the traveller, a Y38, *Identification of Articles for Temporary Exportation*, stamped by the CBSA. Bills of lading, which should include serial numbers, may also be used as acceptable proof of export and should also be stamped by the CBSA. See Memorandum D20-1-4, *Proof of Export, Canadian Ownership, and Destruction of Commercial Goods*.

Note: Commercial samples must return to Canada within one year to be considered **temporary** exports.

(d) Goods exported from a bonded warehouse

Imported goods that have not entered the Canadian economy and are placed in a bonded warehouse or an excise-bonded warehouse and are subsequently exported from Canada, do not have to be reported on an export declaration.

(e) Goods exported from a sufferance warehouse

Goods manufactured or produced outside Canada and exported from a sufferance warehouse before being released from the CBSA do not have to be reported under the Regulations, as they have not entered the Canadian economy. A cargo control document as specified in the Memoranda D3 series appropriate to the mode of transport will meet the export report requirement of the Regulations. In the case of controlled goods, the provisions of the *Export and Import Permits Act* and any other act controlling the export of goods subject to permits apply to goods exported from sufferance warehouses.

(f) Other goods not requiring an export declaration

(i) Cargo containers

Cargo containers that would, if they were imported, be classified at the time of importation under tariff item number 9801.10.00 in the list of tariff provisions set out in the schedule to the *Customs Tariff*.

(ii) Carrier goods

Material and supplies that are transferred from one country to another by an international carrier for its own use, e.g., ABC Airlines ships a replacement engine from Canada to England.

(iii) Contractors' equipment and tools

Contractors' equipment and tools to be returned to Canada after completion of a contract of an expected duration of less than one year, and similar foreign contractors' equipment exported after use for less than one year in Canada.

(iv) Conveyances used exclusively for international commercial transportation.

(v) Currency or monetary instruments

Currency in circulation and monetary instruments are not classified as goods. Monetary gold, issued banknotes, securities and coins in circulation are excluded from trade as they represent financial claims/assets. Thus, there is no requirement to report these items using an export declaration.

However, there are requirements for reporting currency and monetary instruments that fall under the *Cross-border Currency and Monetary Instruments Reporting Regulations*. For further information, refer to those regulations or see Memorandum D19-14-1.

(vi) Diplomatic goods

Diplomatic articles for the personal or official use of representatives of foreign countries and of Her Majesty's governments, and for the personal use of their families, suites or servants. Such transactions may or may not involve the sale of goods. In either case, all such items classified under HS 9808.00.00 are exempt from being reported.

Exception: Conveyances purchased in Canada must be reported on an export declaration before being exported. A business number is not required when a conveyance is permanently exported by a diplomat, as a personal effect or as a gift/donation. In this case, the acronym NBNR (No Business Number Required) should be used in the BN field of the export declaration. See the section called Reporting of Conveyances.

(vii) Leased goods – less than one year

All goods on lease, loan or rental, if the lease is expected to be less than one year.

(viii) Personal effects

Personal effects and personal household effects, regardless of their value, that are not for resale or commercial use, e.g., effects of a Foreign Affairs and International Trade Canada employee moving to Europe for a two-year assignment.

Exception: Conveyances purchased in Canada must be reported on an export declaration. See the section called Reporting of Conveyances.

Note: Personal effects and personal household effects of emigrants must be reported.

(ix) Personal gifts and donations, except conveyances. For more information, see the section called Reporting of Conveyances.

(x) Repairs, additions and processing valued at less than CAN\$2,000.

(xi) Repairs under warranty

Repairs completed or requested as a result of a warranty at the time of sale, regardless of the value of the repairs. These repairs are considered to be part of the original sale price and are performed free of charge.

(xii) Ships' stores – Canadian carrier

Foreign or Canadian goods that are expected to be consumed during a voyage by Canadian carriers do not have to be reported.

(xiii) Shuttle service

This refers to containers or other items used to facilitate the international transport of goods that are not the main feature of a trade transaction, (e.g., a wire basket used to convey machinery parts across an international frontier).

(xiv) Skids and drums used by carriers

Reusable skids, drums, pallets, straps and similar goods used by a carrier in the international commercial transportation of goods, and

(xv) Travellers' baggage and conveyances.

Reporting the Fishing Catch

24. In accordance with section 17 of the Regulations, if a Canadian registered commercial fishing vessel, i.e. a vessel flying a Canadian flag, catches fish or shellfish and the catch is delivered to either a foreign port or a foreign-registered commercial fishing vessel bound for a destination outside Canada, the exporter will report the

catch by submitting an export declaration to the chief officer of the CBSA at the export reporting office immediately after the vessel returns to Canada.

25. Fish caught by a Canadian vessel, which has been hired by a foreign country using its foreign country quota and delivered to a foreign port or foreign-registered vessel would not fall under the Regulations. Therefore this catch would not have to be reported on an export declaration.

26. The quotas on the Grand Banks and various fishing areas around Newfoundland and Labrador are set by the North Atlantic Fisheries Organization (NAFO), an organization interested in fisheries management and conservation in this traditional fishing ground. For information on quotes visit NAFO's Web site at www.nafo.ca.

Reminder: In a scenario where the fish are sold at sea, i.e., transferred from the Canadian ship to a foreign ship before the ship returned to Canada, the exports must be attributed to the month in which the fish are sold. For example, if the fish are sold in June, but the ship did not return to Canada until September, at which point an export declaration would have to be filed, the June sale must be reflected as a June sale and not as a September sale. Also, in the case of exporters who use the Summary Reporting program to report their exports, the exports must be attributed to the month in which the fish are sold.

Reporting of Conveyances

27. In accordance with section 19 of the Regulations, any person who intends to permanently export a conveyance from Canada shall, prior to the exportation and in addition to making any other report required under the Regulations, present to the chief officer of the CBSA at the export reporting office documentation displaying the conveyance identification number. This means the vehicle identification number (VIN) of the vehicle, the hull identification number (HIN) of the boat or the serial number of the conveyance. This identification number would be stated on the export declaration. The requirement to include an identification number for the conveyance to be exported does not include the identification number of the transport vehicle used to export the conveyance from Canada.

28. Conveyances for export include, but are not limited to, vehicles, motorcycles, all-terrain vehicles, boats, airplanes, train engines and off-road equipment.

29. Exporters who export conveyances, which are for commercial or personal use, to countries other than the United States are required to submit an export declaration to the CBSA. For information on when and where to submit this declaration, see the section called Where to Report Exports.

Reporting of Other Goods – Oral Reporting

30. In accordance with section 15 of the Regulations, when the following goods are to be exported from Canada, the exporter or the customs service provider may report them orally at the export reporting office closest to the place of exit from Canada. This means they do not have to submit either an export declaration or a permit. For example:

(a) a Canadian military conveyance that does not contain any goods or cargo;

(b) any goods that are exported by the Department of National Defence (DND) to its defence bases abroad or in support of Canadian Forces deployment operations. These goods must remain the property of, and be for the sole use of that department. This includes DND goods exported by mail; and

(c) goods that are to be exported because of an emergency. Goods that fall under this category include blood, body organs, fire trucks to assist in a disaster, etc. The category would not include humanitarian aid (food and material).

Note: Personal goods exported by DND personnel or their families do not fall under section 15 of the Regulations. These goods, if valued at CAN\$2,000 or more or if they are controlled goods, would have to be reported.

HOW TO REPORT EXPORTS

Exporter Reporting

31. In accordance with section 3 of the Regulations, the exporter must report in writing to the export reporting office all goods being exported from Canada. Certain exceptions apply. The exporter, who may be a non-resident, is ultimately responsible for submitting or ensuring the export declaration is submitted to the CBSA.

32. The exporter is also responsible for ensuring that any permit or other document relating to the goods being exported that are required under the Act, or any related regulations, or under any other act of Parliament or related regulations that prohibit, control or regulate the exportation of goods is submitted to the CBSA.

33. The exporter, who delegates the act of completing and/or submitting export documents to another person, remains responsible for ensuring that reporting is carried out accurately and within the required time frames.

Export Documents to be Submitted to the CBSA

34. To report the exportation of goods from Canada, the submission of certain documents is required, depending on the type of goods to be exported and the destination of the goods.

35. These documents include:

- (a) Export Declaration – There are four ways to submit an export declaration:
- (i) the Canadian Automated Export Declaration (CAED), see the section called Canadian Automated Export Declaration ;
 - (ii) G7 Electronic Data Interchange (EDI) Export Reporting, see the section called G7 Electronic Data Interchange (EDI) Export Reporting;
 - (iii) form B13A, *Export Declaration*, see the section called Form B13A, *Export Declaration*; or
 - (iv) a Summary Report, see the section called Export Summary Reporting Program.
- (b) Permit – Controlled goods, which are being exported to any destination, regardless of their value, must be reported by submitting the appropriate permit to the CBSA. For more information on reporting controlled goods, see the section called How to Report Controlled Goods, and for information about when these export documents must be presented, see the section called Time Frames for Export Reporting.
- (c) Any other documents required by other government departments – Certain OGDs may require other documents to be submitted to the CBSA, when controlled goods are exported. It is the exporter's responsibility to ensure that these requirements are met and to present the documents as required.

Electronic Methods of Reporting

Canadian Automated Export Declaration

36. The CAED makes it possible for authorized exporters and agents to report exports electronically, via the Internet, directly from their place of business to the Government of Canada.

37. Exporters who use CAED to report controlled goods are also required to present a paper copy of the CAED, along with the permit, to the CBSA at the place of exit, according to the applicable time frames for reporting. This temporary situation will be necessary until permits are automated.

38. An application form for CAED can be found on the Statistics Canada Web site at www.statcan.gc.ca under the imports and exports section.

39. A completed application form may be faxed or mailed to Statistics Canada at:

Data Assembly Section
International Trade Division
Statistics Canada
Jean Talon Building, 9th floor
170 Tunney's Pasture Driveway
Ottawa ON K1A 0T6

Fax: **1-888-269-5305** or 613-951-6823

Note: Before registering for CAED, the exporter must telephone **1-800-959-5525** to ensure that his BN and six-digit import/export account (RM account identifier) have been activated for export purposes. For further information, see the section called Business Number.

G7 Electronic Data Interchange (EDI) Export Reporting

40. Exports may also be reported by another electronic method, G7 EDI Export Reporting.

Note: If controlled goods are being exported, the export declaration must be submitted at the place of exit.

41. Originally, G7 EDI was developed by the G7 customs administrations. Common data sets, standardized data elements and common definitions for import, export and cargo procedures were developed to enable traders to reuse the information submitted to satisfy exporting requirements from one G7 country, while meeting the importing requirements of another G7 country. This is a one-step process: exports from Canada are imports to another country.

42. G7 EDI has been expanded to include the report of goods being exported to any country for which an export declaration is required.

43. To register for G7 EDI Export Reporting, exporters must have a valid BN and complete the Form BSF158, Application for G7 Electronic Data EDI Export Reporting, on the CBSA Web site at www.cbsa.gc.ca under Publications and forms. It is also available by contacting:

Electronic Commerce Unit
Canada Border Services Agency
6th floor
250 Tremblay Road, West Tower
Ottawa ON K1A 0L8

Telephone: **1-888-957-7224** (within North America)
613-946-0762 (outside North America)
Fax: 613-952-9979

44. The completed registration form must be submitted to Statistics Canada by mail or facsimile to:

Data Assembly Section
International Trade Division
Statistics Canada
Jean Talon Building, 9th floor
170 Tunney's Pasture Driveway
Ottawa ON K1A 0T6

Fax: **1-888-269-5305** or 613-951-6823

45. Statistics Canada will:

- (a) complete a preliminary screening;
- (b) issue the authorization identification (ID) and licence number to the CBSA; and

(c) forward the application form to the CBSA.

46. The CBSA will register the client as an active exporter for G7 EDI Export Reporting and will set up a testing regime to ensure that the client can transmit reports properly and can also receive messages from the CBSA.

47. The CBSA will inform the client of the authorization ID and licence number for testing with the Electronic Commerce Unit (ECU). Once testing has been completed with the ECU, CBSA will activate the account for production and inform clients that they can begin transmitting export declarations through G7 EDI Export Reporting.

48. The authorization ID is composed of two alpha and four numeric digits, e.g., RC1234. The licence number is made up of two numeric, one alpha and three numeric digits, e.g., 01E001.

49. If exporters experience difficulty with the transmission of the electronic declaration because the system is down, a border services officer may request that a paper export declaration be submitted to the CBSA office at the place of exit. The paper declaration must be stamped in order for the exporter to obtain proof of report.

50. There are costs involved with G7 EDI Export Reporting. These costs would depend on the communications link and the software used and would be determined on a one-to-one basis with the service provider. Clients interested in using G7 EDI Export Reporting, can contact the ECU at **1-888-957-7224** for a list of software suppliers and value added networks (VANs).

51. For additional information on G7 EDI Export Reporting, visit the CBSA's Web site at www.cbsa.gc.ca.

Other Methods of Reporting

Form B13A, Export Declaration

52. Form B13A, *Export Declaration* is available at local export reporting offices, as well as on the CBSA Web site under Publications and forms. Exporters should check the Web site periodically to ensure that they are using the most current version. Exporters who do not use the correct version could be subject to an Administrative Monetary Penalty.

53. Exporters, who report their exports using the B13A, will submit a copy to the CBSA. See section called Stamping of Form B13A, Export Declaration.

54. Exporters, who were previously permitted to fax their export documents to the CBSA, will no longer be allowed to report in this manner, as the export declaration is now required to be time/date stamped. All exporters are encouraged to sign up for an electronic reporting method such as CAED or G7 EDI Export Reporting, to facilitate their reporting.

55. The other alternative is to fax the B13A to a customs service provider, who will be responsible for stamping the B13A at an export reporting office, submitting it to the CBSA and returning a stamped copy to the exporter for his/her records.

56. Exporters using the services of an MOU participant to export goods are required to provide proof that the goods have been reported to the CBSA. This proof of report is found in field 9(a) of the B13A. For more information on the proof of report, see section called Proof of Report.

57. A separate form B13A is necessary for each shipment and each consignee.

58. An export shipment consisting of several carloads, truckloads, etc., shipped to the Canadian place of exit for export to one destination, under **one** bill of lading on **one** vessel, train or airplane may be accounted for on **one** Form B13A. For carload, truckload or container-load shipments, the exporter must indicate on the declaration all railcar, trailer or container numbers.

59. If goods are exported via an intermodal movement that is a continuous journey from the point where the goods were loaded, only one B13A is required. Examples of intermodal movements are found under the section called Examples of Where Exports must be Reported and the Time Frames Under Which Exporters must Report their Goods.

Stamping of Form B13A, Export Declaration

60. The exporter must have form B13A stamped either manually by an export reporting officer or clerk or by using the stamp machine provided in the export reporting office. The stamp provides proof that the exports were reported to the CBSA and that they were reported within the time frames stated in the Regulations. This documentation avoids possible penalty action for not following the time frames and ensures that the exporting carrier will load the goods. For details on the proof of report, see section called Proof of Report.

61. The stamp is made up of the year/month/day, time-24-hour clock-port code and six-digit reference number. The following is an example of a stamp, which would be inserted in field 9(a) customs proof of report of the B13A: 2008/10/17/13:00 497 000235.

62. The stamp machine is set to stamp three times with the same number before advancing to the next sequential number. It is imperative that three and **only three** copies be stamped each time the stamp machine is used. Stamping more or less than three copies disrupts the sequential numbering pattern and creates numbering inaccuracies for the next user. Each of the three copies must show the identical proof of report number. If the numbers on the three copies are different, they must be renumbered to ensure consistency. If an additional copy is required for the exportation of controlled goods, the exporter may be

required to photocopy the B13A with the CBSA stamp printed on it.

63. Exporters or their agents must have the B13A stamped and distributed as follows:

copy 1 - to the CBSA, including all other documentation such as permits;

copy 2 - to the exporter's carrier providing proof that the exports were reported;

copy 3 - to be kept by the exporter as proof that the goods were reported.

Privately Printed Versions of the B13A

64. Privately printed versions of the B13A are no longer required to be forwarded to the CBSA for review and acceptance.

65. A privately printed form must contain all the required information and be in the same format as form B13A, *Export Declaration*, published by the CBSA. In addition, house forms must be bilingual, if they carry the CBSA banner. This is the only acceptable format. Exporters wishing to format and print their own forms should visit the CBSA Web site at www.cbsa.gc.ca under Publications and forms to view the current B13A. It is the exporter's responsibility to ensure that the B13A presented to the CBSA contains all the required information and is formatted correctly.

Note: The stamp provided in field 9(a) customs proof of report no. of the B13A falls between 3 ¼ and 3 ½ inches from the top of the form. This field must be set up accurately to accommodate the imprint of this stamp.

66. Failure to comply with the requirements noted above may result in the issuance of an AMP.

Export Summary Reporting Program

Purpose

67. The export Summary Reporting program was developed to enable exporters who meet the criteria identified in the Regulations to declare required export data in a single summary report. This report reduces the paper burden on exporters and, at the same time, collects the export data needed to produce comprehensive international trade statistics. It allows authorized exporters to submit a monthly summary of their exports after the goods have been exported.

Note: Businesses can report their exports using a combination of approved reporting methods. For example, one branch of the company could report exports via Summary Reporting, while another could report via CAED, G7 EDI or on a B13A. Also, a company could report non-controlled goods by one method and controlled goods by another.

Criteria to Qualify for Summary Reporting

68. Summary Reporting is primarily designed for low-risk goods, rather than for goods subject to export controls. An exporter may be approved to report the exportation of any goods in writing on a monthly basis if:

(a) the goods are bulk and homogeneous; and

(b) the exporter has received written confirmation from CBSA that the goods qualify as bulk goods and homogeneous goods and may be reported in accordance with the Summary Reporting program. This confirmation will be provided by the chief officer of the CBSA at the regional office of the CBSA responsible for the export reporting office from which the majority of the goods will be exported. The exporter must receive this notice before exporting the goods. In addition, where the goods are controlled goods, the exporter must have received written confirmation from the appropriate OGD responsible for the administration of the Act of Parliament under which the exportation of the goods is controlled, that the goods may, under that legislation, be reported in accordance with the rules for Summary Reporting. The exporter must receive this notice before submitting an application to the CSBA. This confirmation must accompany the application to the CBSA.

69. Homogeneous goods that are stowed loose in the hold of a conveyance and are not enclosed in any container such as a box, bale, bag, cask or the like are sometimes described as bulk freight. Specifically, bulk goods are either:

(a) free-flowing articles such as oil, grain, coal, ore and the like, which can be pumped or run through a chute or handled by dumping; or

(b) uniform cargo that stows solidly in bulk and requires mechanical handling for lading and discharging. Bulk and homogeneous goods are considered to be non-processed goods or raw food products. Some processed goods are eligible to be reported via Summary Report, e.g., logs, certain types of frozen foods.

70. Bulk commodities such as lumber, newsprint and coal, which are containerized, would qualify for the Summary Reporting program.

71. Exporters should ensure that they are following the CBSA's export procedures outlined in D Memoranda, Customs Notices and bulletins. Non-compliance with these procedures may result in not being approved for the Summary Reporting program, having Summary Reporting privileges terminated and/or receiving an AMP.

Goods Subject to Export Control

72. Summary Reporting is not designed for goods subject to export controls. Such items include strategic goods subject to the *Export and Import Permits Act*. In particular,

it covers goods listed in the brochure *Guide to Canada's Export Controls* that fall under groups 1 to 7 and 5400, 5401, 5402, 5403, 5404 and 5405. This includes goods that originate in the United States, which come under General Export Permit (GEP) 12.

73. However, if the exporter of the controlled goods has been approved under the Summary Reporting program, the permit must be submitted to the CBSA:

- (a) at the place stated on the permit; or
- (b) if no place is stated, at the export reporting office closest to the place of exit from Canada; and
- (c) in accordance with the time frames for reporting under the particular mode of transportation.

Note: The exporter's Summary Reporting ID number should be written on the permit to identify the exporter as a participant in the Summary Reporting program.

74. Most goods subject to export controls fall under the jurisdiction of Foreign Affairs and International Trade Canada. For assistance in determining whether goods are subject to such controls or are covered by a GEP, contact the Export Controls Division at Foreign Affairs and International Trade Canada or refer to the Web site at www.international.gc.ca.

75. For a list of OGDs that administer laws that impose restrictions on the export of certain goods, see the section called Goods Administered by Other Government Departments.

Note: Exporters of controlled goods who are currently using Summary Reporting must be approved under the rules outlined in this memorandum. If not, they will be removed from the program.

Application Process for Export Summary Reporting

76. Exporters interested in participating in the Summary Reporting program should apply to the Regional Client Services office in the region where the company keeps its records or nearest to the place from which the majority of the exporter's goods will be exported. A copy of the proposed Summary Reporting format should also be included with the application.

77. The Regional Client Services office will:

- (a) review the application form to ensure that it is complete and that the exporter meets the criteria for Summary Reporting; and
- (b) return an incomplete or unsuccessful application and inform the exporter that the application is unsuccessful.

78. Once an application has been approved at the regional level, the region will forward it for further review and filing to the CBSA headquarters (HQ) at:

Export Process
Admissibility Branch
Canada Border Services Agency
10th floor
150 Isabella Street
Ottawa ON K1A 0L8

79. Approval of applications may be withheld if:

- (a) a history of non-compliance with customs regulations exists;
- (b) the goods being exported do not meet the criteria for Summary Reporting, e.g., controlled goods, dual purpose manufactured goods including sophisticated electronic items; or,
- (c) the application is incomplete.

80. If an application sent to Export Process is not accepted, the office will inform the applicant in writing and send a copy to the Regional Client Services.

81. Once the CBSA HQ approves an application, Export Process will forward it to the Export Summary Reporting Program, International Trade Division of Statistics Canada, where the content and the exporter's proposed reporting format will be reviewed. Statistics Canada will then:

- (a) verify that the reporting format is acceptable;
- (b) assign a unique Summary Reporting ID number to the application. This number consists of the letters SUM, followed by four numbers, e.g., SUM 0325;
- (c) notify exporters that they have been approved for Summary Reporting by sending them a letter of authorization, with a copy to Export Process. The letter contains the summary reporter's ID number, which the exporter will record on cargo control documents, bills of lading or commercial invoices;
- (d) notify the exporter of the reporting start date and provide the mailing address for submitting reports; and
- (e) update the list of summary reporters and provide it to the CBSA, Export Process each month.

Reporting Process

82. Summary reporters are required to submit a report covering the previous calendar month to Statistics Canada within five business days after the end of the month in which the goods are exported. If there is nothing to report for a particular month, a nil report must still be sent.

83. When a report is not filed or is filed late, Statistics Canada will notify the CBSA. Failure to provide a report or meet the five-day reporting time frame may result in an AMP.

84. When a penalty is issued in relation to a particular summary report not being filed, exporters are still required to submit that report as part of the penalty action.

85. The exporter must ensure that his summary reporter's ID number is provided to the carrier or customs service provider (CSP) for notation on the cargo control document, manifest or bill of lading as the proof of report required under the MOU for MOU participants.

86. CSPs acting on behalf of their clients may report their clients' exports on a monthly basis, provided they file a separate report for each client, showing the client's summary reporter's ID number.

87. Summary reports must be sent to Statistics Canada at:

Summary Reporting Program
Data Assembly Section
International Trade Division
Statistics Canada
Jean Talon Building, 9th floor
170 Tunney's Pasture Driveway
Ottawa ON K1A 0T6

Fax: 613-951-4657 or **1-877-599-2832**, or
E-mail: expdata@statcan.ca

Changes to the Original Summary Reporting Application

88. Exporters are required to notify the Regional Client Services and Statistics Canada in writing of any changes to their company profile such as changes to the Business Number, company name, address, contact person or telephone number.

89. To report additional commodities that were not part of the original Summary Reporting Application, exporters must complete an amended application listing all the commodities they wish to have approved for summary reporting, and submit as they did with their original application form to the Regional Client Services office. Once the region has approved these additional commodities, the change form is forwarded to HQ for review and approval. HQ will then forward the document to Statistics Canada.

90. It is important that the CBSA be notified of any changes to avoid potential AMPs.

Termination of Summary Reporting

91. Exporters may terminate their participation in the Summary Reporting program. The CBSA may also remove exporters from the program after due notification.

92. Exporters wishing to terminate the Summary Reporting program should send written notification to their Regional Client Services of their intention 30 days before the effective date of termination. The Regional Client Services will send a copy of the notification to Statistics Canada at the address provided in paragraph 87.

93. When the CBSA terminates an exporter's summary reporting privilege, the Regional Client Services will inform the exporter in writing of its intention 30 days before the

effective date of termination. A copy of the termination notice should also be faxed to Export Process at HQ at 613-946-0241 and to Statistics Canada at 613-951-4657 or **1-877-599-2832**.

Other Information

94. For questions related to the format for Summary Reporting, contact Statistics Canada by telephone at 613-951-4690 or **1-877-262-0470**, or by fax at 613-951-4657 or **1-877-599-2832**.

95. For further information on the Summary Reporting program, contact the Border Information Service (BIS) at **1-800-461-9999**.

EXCHANGE RATES

96. To convert currencies or to obtain monthly average exchange rates for Summary Reporting, exporters may use the exchange rate tool on the Bank of Canada Web site at **www.bankofcanada.ca**.

HOW TO REPORT CONTROLLED GOODS

97. All goods that are controlled, regulated or prohibited by any Act of Parliament must be reported, regardless of the value of the goods.

Reporting Controlled Goods to the United States

98. Exporters who export controlled goods, which include goods under a GEP, to the United States, must report these goods by providing the CBSA with the required export permit, as well as any other documents required by the OGD that regulates the export of these goods. For information on GEPs, see the section called Reporting Goods Under General Export Permits.

Reminder: Permits for softwood lumber destined for the United States do not have to be presented to the CBSA. For more information, see the section called Controlled Goods.

Reminder: An export declaration is not required for the export of controlled goods to the United States.

Reporting Controlled Goods to Countries Other Than the United States

99. Exporters of controlled goods must present or arrange for the presentation of:

(a) a stamped copy of form B13A, *Export Declaration*, or a paper copy of the electronic export declaration that has already been submitted to the Government of Canada via CAED or G7 EDI Export Reporting; and

(b) the applicable permit.

100. Exporters may not report controlled goods via Summary Reporting, unless authorized in writing by the OGD controlling the permit.

101. The permit number, which includes the GEP number, must be stated in the export permit field of the export declaration.

102. Exporters who report controlled goods using a B13A, *Export Declaration*, will submit one copy to the CBSA. If border services officers decide to inspect the goods and wish to retain the copy, they must make an additional copy of the B13A for themselves.

103. If controlled goods are reported electronically via CAED or G7 EDI, a paper copy of the export declaration must also be presented to the CBSA. It can be printed from the CAED or G7 EDI Export Reporting software.

104. It is the exporter's responsibility to verify whether the goods being exported are controlled.

Reporting Goods Under General Export Permits

105. Exporters may, in certain cases, export controlled goods to eligible destinations under GEPs. In these cases, exporters may self-assess and, if they are confident of their assessment, they can choose not to submit individual export permit applications to Foreign Affairs and International Trade Canada. They must, however, cite the appropriate GEP number in the export permit field on the export declaration. If an export declaration is not required, as in the case of exports to the United States, the GEP number should be noted on the manifest or other appropriate documentation. For details on how to use and report a GEP, please contact Foreign Affairs and International Trade Canada at the address given in paragraph 112.

106. Goods valued at less than CAN\$2,000 and exported under GEP 12 for consumption in countries other than Belarus, Cuba, Iran, Myanmar, Democratic People's Republic of Korea or Syria do not have to be reported to the CBSA by presenting an export declaration. If a permit is required, it must be submitted.

107. Goods of United States origin (ECL item 5400) and other controlled goods destined for Belarus, Cuba, Iran, Myanmar, Democratic People's Republic of Korea or Syria must be reported by presenting both an export declaration and an individual permit, regardless of the value of the goods.

108. When any goods, regardless of their value, are exported to a country on the Area Control List, the goods must be reported to the CBSA by presenting both an export declaration and a permit.

109. Goods exported under a **GEP, other than GEP 12**, for consumption in countries other than the United States must be reported to the CBSA by presenting an export declaration, **regardless of the value**. Exporters reporting manually via the B13A must submit a copy of the declaration. Exporters using CAED or G7 EDI Export Reporting will report electronically. They will not have to submit a paper copy of the export declaration, unless a

paper permit has been issued to cover these goods. The CBSA can view these electronic declarations online.

110. In summary, if a paper permit is presented, then a paper copy of the export declaration must also be presented, **Exception: An export declaration is not required for goods exported to the United States.**

111. Consult Appendix A for a chart that summarizes this information on GEPs.

112. Foreign Affairs and International Trade Canada administers the *Export and Import Permits Act*, the legislation that governs the import and export of many of these goods. For information on this Act, which includes the Export Control List, the Area Control List, and GEPs, or for a copy of Foreign Affairs and International Trade Canada's booklet, *A Guide to Canada's Export Controls*, please contact:

Export Controls Division
Foreign Affairs and International Trade Canada
6th floor, Tower C
125 Sussex Drive
Ottawa ON K1A 0G2

Telephone: 613-996-2387 or **1-800-267-8376**
Fax: 613-996-9933
E-mail: ECL?@dfait-maeci.gc.ca

For a current list of GEPs, refer to the Department of Justice Canada Web site at <http://laws.justice.gc.ca>.

Goods Administered by Other Government Departments

113. Other government departments administer laws that impose restrictions on the export of certain goods. These include, but are not limited to:

Agriculture and Agri-Food Canada
Canadian Wheat Board
Canadian Nuclear Safety Commission
Canadian Heritage
Fisheries and Oceans Canada
Environment Canada
Health Canada
National Energy Board
Natural Resources Canada

114. Exporters whose goods are governed by such OGDs should contact the appropriate department for additional information.

115. Certain prohibited goods, e.g., firearms, military equipment and narcotics, may be exported under controlled conditions.

116. Detailed information on controlled goods may be found in Memoranda D19 series. For example, Memorandum D19-6-4, *Kimberley Process, Export and Import of Rough Diamonds* contains information concerning controls on the export of rough diamonds. Exports of rough

diamonds must be accompanied by a valid Kimberley Process Certificate issued by Natural Resources Canada. The Kimberley Certificate number must be shown in field 2 of the export declaration.

BUSINESS NUMBER

117. The Canadian BN is assigned by the Canada Revenue Agency (CRA) to an exporter or customs service provider to identify program accounts. To identify exports, the exporter must have an import/export program account, i.e., RM account identifier, activated for exports. A valid BN is mandatory for the completion of all export declarations, which include CAED, G7 EDI Export Report, the paper B13A, and the Summary Report.

Format

118. The BN consists of 15 digits made up of a nine-digit registration number, e.g., 123456789 and a six-character alphanumeric account identifier, e.g., RM0003. The nine-digit registration number identifies the business and remains the same regardless of the number or types of accounts. The RM program identifier identifies the CRA program (in this case the import/export program). An exporter may have more than one account identifier under each CRA program. For example, a company with branches or divisions will have one nine-digit registration number, but may have separate RM account identifiers for each branch or division. The four-digit account number, in this example 0003, identifies a third import/export account for that exporter.

Registration

119. Exporters can obtain a BN with an import/export account by telephoning CRA at **1-800-959-5525** for service in English, or **1-800-959-7775** for service in French. Exporters can also call or visit their local tax services office listed in the government section of the telephone book. Exporters who have a Social Insurance Number can also register online at **www.businessregistration.gc.ca**.

120. Non-resident exporters can find additional information on acquiring a BN by obtaining a copy of the CRA guide, *Doing Business in Canada – GST/HST Information for Non-Residents* (RC4027). This publication is available on the CRA Web site at **www.cra.gc.ca** under Forms and publications. Exporters outside Canada may find the telephone number for their state (United States) or country by visiting the tax services offices pages of the CRA Web site at **www.cra.gc.ca**.

121. Clients who obtained a BN with an import/export account when they were involved with imports only but have subsequently begun to deal with exports, must contact CRA and ask for the RM account identifier to be amended to include exports.

Note: Customs service providers, who complete export declarations on behalf of exporters, should use the exporter's BN on the export declarations. Exporters must complete form RC59, *Business Consent Form*, for service providers, so that they can contact the CRA to obtain information on the exporter's behalf.

Note: Administrative Monetary Penalties are issued against the Business Number (BN) stated on the export declaration.

Required Information

122. The following information must be provided to register for a BN:

- (a) legal entity name – the legal name of the company for which all invoices and/or refunds will be issued;
- (b) business address – the address of the legal entity;
- (c) mailing address – if different from the legal entity (i.e., clients may request that their lawyer or accountant receive mail);
- (d) account name – the name of the account identifier clients use for their books and records; and
- (e) account address – the account address if different from the legal entity.

Example

Legal entity name:	123 Ont. Inc.
Operating or trade name:	Blues Brothers Steel Company
Business address:	1987 Rockshore Drive Toronto ON T4K 8L8
Mailing address:	c/o John Smith Attorney-at-Law 879 Bloor Street Toronto ON T8J 3N7
Account name:	123 Ont. Inc. – Vancouver Office
Account address:	c/o ABC Customs Brokers 789 Stanley Drive Vancouver BC V3K 7S1

Exceptions to Providing a Business Number on an Export Declaration

123. Emigrants completing their own export declarations for the export of personal or household effects are not required to register and obtain a BN to complete the declaration. This is the only time when a BN is not required on an export declaration. As the electronic methods of reporting by CAED and G7 EDI Export Reporting require the input of a BN to complete the declaration, an emigrant would be required to report the goods by submitting a paper B13A.

Change in Business Number Information

124. A request to change BN identification information, such as the business name or address, should be forwarded to a local tax services office. To reactivate an import/export account, contact the CRA business enquiries line. Enquiries within North America should be made to **1-800-959-5525**.

125. Additional information on the BN may be obtained from Memorandum D17-1-5.

CANCELLING AND AMENDING EXPORT DECLARATIONS

126. Sometimes, exporters need to modify information about a shipment that has already been reported and have to submit an amended declaration or cancel an export declaration. Amendments or cancellations to CAED, G7 EDI Export Reporting or form B13A should be submitted as soon as it is apparent that the declaration must be amended or cancelled. The manner in which cancellations or amendments are made will depend on the method used to report the exports.

Note: In all cases the point of finality must be considered. For information on this topic, see the section called Point of Finality for Declaring Exports for Enforcement Purposes.

Canadian Automated Export Declaration (CAED)

127. CAED offers an amendment, cancellation, and void feature in the system. Any of these changes to a CAED transaction are to be made electronically through CAED. It should be noted that you cannot undo a voided transmission. For instructions on using these CAED features, the exporter should refer to the CAED User Guide. As the export reporting offices have access to CAED, there would be no requirement for the exporter to forward a paper copy to the export reporting office, unless the goods are controlled. If the exporter cannot transmit his document, he should print a copy of the export declaration, submit it manually at the export reporting office where the goods are expected to leave Canada and have it stamped.

G7 EDI Export Reporting

128. G7 offers an electronic amendment, change and cancel feature. For more instructions, exporters should refer to the G7 EDI Export Reporting Participants' Requirements Document.

Note: Changes to a G7 report cannot be made after 180 days. However, a report may be cancelled after 180 days and resubmitted as an original with the changes inserted.

129. If the EDI is down and the exporter cannot transmit, the exporter must submit a paper B13A to the export reporting office. When the system is operational, the exporter should submit the report electronically. The export reporting office should discard the paper B13A after dealing with it. There is no need to send it to Statistics Canada, as

an electronic copy will be transmitted, as soon as the system is activated.

Form B13A, Export Declaration

130. To cancel a B13A, *Export Declaration*, a copy of the cancelled transportation document, or, if the goods left Canada and have been returned, a copy of the return transportation document, plus a copy of the original B13A should be taken to the export reporting office where the B13A was originally presented. The CBSA will notify Statistics Canada of such cancellations by forwarding the required documents in an SC-2 envelope.

131. If an exporter discovers an error in a B13A, an amended B13A must be submitted to the export reporting office where the goods were originally reported, along with a copy of the original B13A.

132. Amendments to a B13A are to be prepared by the exporter as follows:

(a) at the top of the B13A check the box, Amended. Write the proof of report number in a prominent position in the body of the B13A, identifying the export declaration to be amended and the field number(s) to be changed,

e.g., amended B13A for 2008/10/17/ 14:28 401 001301, field #4 consignee information;

(b) if the amended fields pertain to the commodity (origin, description, HS code, quantity or value), the amended declaration is to show "Declared as . . ." followed by the corrected data, "Should be . . .".

e.g., amended B13A #2008/10/17/ 14:28 401 001301, for Item Description and HS Commodity Code, shown in fields #17-18:

Declared as:

"New railway rails, carbon steel, heat treated, 7302.10.30",

Should be:

"Reroll worn iron railway rails, 7302.10.11";

(c) for fields that remain unchanged, complete the amended B13A as originally reported. This includes the date of export, unless it is an amended field; and

(d) the signature field in the certification block must reflect the name of the person completing the amended B13A.

133. When reporting via G7 EDI or B13A, the exporter should also ensure that the carrier or freight forwarder is provided with the amended form before the goods are exported. If the changes are discovered after the shipment has been collected by the carrier, the exporter should fax a copy of the amended declaration to an office recommended

by the carrier/freight forwarder, e.g., an office of the transport company/freight forwarder or some affiliate, where the carrier/freight forwarder representative could pick it up, before delivering the documents to the CBSA.

Summary Reporting

134. Summary reporters must notify Statistics Canada directly of any cancellations or amendments to their reports. The discovery of errors or omissions in a summary report may be identified by the exporter or by Statistics Canada after it is submitted. An amended report must be submitted within 30 days of the discovery by the exporter or notification by Statistics Canada.

POINT OF FINALITY FOR DECLARING EXPORTS FOR ENFORCEMENT PURPOSES

135. Enforcement action—in the form of detention, seizure, ascertained forfeiture and/or administrative monetary penalties—may be taken against non-compliant exporters once a point of finality has been reached. The point of finality represents the stage in the exporting process at which the intent to export specific goods from Canada has been demonstrated conclusively. The point of finality is reached for export control under the *Customs Act* when any of the following occurs:

- (a) the exporter or the customs service provider has presented the CBSA with an export declaration for the goods which, unless the CBSA intervenes, is conclusive. **Note:** This is ultimately the responsibility of the exporter;
- (b) the exporter or the customs service provider neglects to submit an export declaration within the time frames or other supporting conditions stipulated in the Regulations; or
- (c) the conveyance or container on or in which the goods are placed begins its continuous journey out of Canada before an export declaration is made.

136. If the point of finality has not been reached, a border services officer cannot detain or seize the goods because an infraction has not yet occurred.

137. The point of finality for the *Export and Import Permits Act* is the last time that an exporter could submit an export permit according to the time frames in the Regulations, at the place of exit. For example, a person leaving Canada with the goods in a truck would be beyond the point of finality for the purposes of the *Export and Import Permits Act*.

138. The CBSA takes the position that when an exporter or customs service provider submits an export report, an enforcement action can be taken, as soon as a contravention has been detected. The time that this happens will differ in the circumstances, according to the reporting requirements set out in the Regulations.

139. The CBSA must provide exporters with every opportunity to report their goods and otherwise comply under the Act and the Regulations before taking any enforcement action. There is no requirement in either the Act or the Regulations to provide the person making the export declaration with the opportunity to make corrections or amendments, before such action is taken.

140. If a revised export declaration has been provided before action is taken against the exporter, the amended declaration will be the information that is reviewed.

141. In the case where the Regulations do not require a report and the CBSA subsequently determines that there should have been a report (because the claimed exemption did not apply), the CBSA would be entitled to act at the point where it was determined that the exemption did not apply and that a report should have been submitted. At that moment, the CBSA would have determined that the Regulations had been contravened.

WHERE TO REPORT EXPORTS

Designated CBSA Offices for Exports

142. Certain CBSA offices have been designated to process the exportation of goods from Canada and are referred to as export reporting offices. An export reporting office is any CBSA office that has been designated under the Act to receive export reports, examine goods for export, and is open for business at the time the goods are being reported. Visit the CBSA Web site at www.cbsa.gc.ca for export reporting office locations and hours of operation.

143. The goods must be available for inspection, if requested, at the export reporting office where the export documents are submitted.

144. If a CBSA office designated to receive export reports does not have the facility to inspect goods, it must let the exporter know where to take the goods should an inspection be required. Alternative arrangements will be made at the regional level.

Automated Export Reporting

145. Exporters who report their exports electronically using the CAED or G7 EDI Export Reporting methods send their export declaration directly from their place of business to the Government of Canada. Both CAED and G7 EDI export reports are considered to have been submitted to both the CBSA place of report and the place of exit.

146. Controlled goods, must be reported at the place of exit, or at the place stated on the permit, within legislated time frame(s).

147. The exporter must also ensure that a copy of the CAED or G7 EDI export report and the permit are presented at the place stated on the permit. If the office is not named, the documents must be submitted at the export reporting office closest to the place of exit from which the goods are

expected to leave Canada. The goods must also be available for inspection at the office where the export documents are presented.

Note: A CAED or G7 EDI export report is not required for any goods exported for consumption in the United States.

148. For detailed information on how to report controlled goods, see the section called How to Report Controlled Goods.

Reporting Via Paper – Form B13A, *Export Declaration*

149. Exporters who report their exports using form B13A, *Export Declaration*, will submit the export documentation to an export reporting office where exports may be reported.

150. Controlled goods must be reported at the place of exit, or at the place stated on the permit, within legislated time frame(s).

Note: Form B13A is not required for any goods exported for consumption in the United States, even if they require a permit.

151. For detailed information on how to report controlled goods, see the section called How to Report Controlled Goods.

Reporting Via Summary Reporting

152. Exporters who report their exports using the Summary Reporting program must submit their summary report directly to Statistics Canada at the following address:

Summary Reporting Program
Data Assembly Section
International Trade Division
Statistics Canada
Jean Talon Building, 9th floor
170 Tunney's Pasture Driveway
Ottawa ON K1A 0T6

Telephone: 613-951-4690 or **1-877-262-0470**
Fax: 613-951-4657 or **1-877-599-2832**
E-mail at: expdata@statcan.ca

Note: Summary Reporting is not normally designed for the export of controlled goods. For more information on Summary Reporting, see the section called Export Summary Reporting Program.

TIME FRAMES FOR EXPORT REPORTING

153. The time frame(s) under which an exporter must submit export documents to the CBSA is determined mainly by the mode of transportation by which the goods leave Canada. However, these time frames are considered to be the minimum guideline for reporting exports.

154. Exporters should report their exports as soon as they have the necessary information. Exporters should note that, while the submission of their export declaration and/or permit may meet the time frames stated in the Regulations, it may be advisable to report earlier, especially if the goods are to be bundled or containerized. When border services officers need to examine the goods, it is always less costly for exporters if the goods do not need to be unbundled, removed from the container, etc. Reporting as early as possible before the goods are bundled or containerized may avoid this additional expense. It will also ensure that a CBSA examination of the goods will not prevent them from being exported at the intended time.

155. In accordance with section 3 of the Regulations, the minimum time frames for reporting exports to the CBSA are:

(a)

(i) goods exported by mail, not less than two hours before the goods are delivered to the post office where the goods will be mailed. The two hours before the goods are mailed means two hours before the goods are delivered to any post office in Canada that accepts mail for export.

(ii) goods exported by vessel, not less than 48 hours before the goods are loaded onto the vessel. When exporters make arrangements with a carrier or customs service provider to transport goods in marine mode, they are given a booking reference number, which tells them when the goods should be at the carrier's premises for loading.

(iii) goods exported by aircraft, not less than two hours before the goods are loaded on board the aircraft. Air carriers will inform exporters when the goods should be at their premises for loading and when they will start to load the plane.

(iv) goods exported by rail, not less than two hours before the railcar on which the goods have been loaded is assembled to form part of a train to be exported. Railcars are loaded at different places and then moved to a rail yard where the cars are assembled into a train to begin its journey from Canada. If the rail companies negotiate a different agreement with the CBSA, this reporting procedure could change.

and

(v) goods exported by any other mode of transportation, "immediately before the exportation" of the goods. In the case of goods being exported by highway or any other mode not previously mentioned, they must be reported

immediately before being exported, which means before the conveyance that is transporting the goods crosses the border or leaves Canada.

For reporting controlled goods, the CBSA must ensure that the requirements of other government departments have been met and that the goods leave Canada. In accordance with section 5 of the Regulations, controlled goods must be reported and made available for inspection either at the place specified on the permit or, if no place is specified, at the place where the goods leave Canada. The export documents must be presented before the goods are transferred to the outbound carrier for export from Canada.

(b) The following goods constitute an exception to the reporting time frames, regardless of the mode of transportation, and can be reported immediately before they are exported, unless they are considered controlled goods:

(i) live animals, bulk goods, homogeneous goods or time-sensitive goods.

If these goods are considered controlled, they must be reported under the time frames outlined according to the mode of transportation, as outlined in (a) above.

Exporters declaring goods listed under this exception are normally unable to obtain the complete details of the exportation until just before the goods are loaded, as in the case of “time-sensitive goods”, or until after the goods are loaded, as in the case of “bulk goods”.

With regard to “time-sensitive goods”, the concept is to preserve goods that will lose their value within an immediate time frame (e.g., newspapers, exposed film for news broadcasts, etc.) or that may decompose (e.g., fruit, vegetables, frozen or fresh meats, flowers, etc.) or to deliver goods required to meet an inventory control system for production as in just-in-time goods. This includes ships’ stores on international ships and aircraft on ground.

Soft drinks, for example, would not qualify as time-sensitive goods, as they can be held for some time before exportation without losing their value.

Sometimes, exporters decide to export goods at the last minute:

- they obtain an order just before a carrier departs; or
- they learn that the carrier has space to carry extra shipments.

Unless these goods qualify under (b) above, the exporter will not be permitted to report

immediately before the goods are exported, but must report under the time frames outlined in (a).

156. Each method of export reporting contains information pertaining to the date and time of report. In the case of form B13A, the CBSA stamp would record the date and time. In the case of reporting electronically via CAED or G7 EDI Export Reporting, the date and time would be recorded automatically and provided on a separate transmission receipt. This transmission receipt is not the proof of report. For details on the format of the proof of report, see the section called Proof of Report.

157. With these new reporting time frames, the CBSA should be acknowledged by its trading partners as doing its share to increase the security of the global trading system by not moving into the world market goods that could be any threat to the international community.

EXAMPLES OF WHERE EXPORTS MUST BE REPORTED AND THE TIME FRAMES UNDER WHICH EXPORTERS MUST REPORT THEIR GOODS

158. Section 3 of the Regulations states that all goods, including controlled goods, that have to be reported in writing shall be reported at an export reporting office. This section provides examples to illustrate where and when an export declaration and/or a permit must be presented to the CBSA.

159. The examples are categorized by mode of transportation and include the export of both controlled goods and non-controlled goods. The time frames for reporting goods are referenced in the section called Time Frames for Export Reporting. A list of CBSA offices that have been designated to deal with exports is available on the CBSA Web site.

Highway Mode

160. The export of non-controlled goods for consumption in the United States does not have to be reported as the information is obtained by Canada under the MOU on the Exchange of Import Data between Canada and the United States.

161. Non-controlled goods leaving Canada for a country other than the United States such as Mexico that require an export declaration must be reported at an export reporting office by submitting an export declaration immediately before the highway carrier crosses the border.

162. Controlled goods leaving Canada en route to the United States by highway carrier must be reported immediately before the exportation of the goods by presenting a permit at the place stated in the permit or, if no place is named, at the export reporting office closest to the place of exit.

163. If controlled goods are moving in transit through the United States to a country other than the United States,

a B13A or a paper copy of the CAED or G7 EDI export report must be presented with the permit immediately before the exportation of the goods.

164. All goods must be available for inspection at the place where the export documents are presented.

Air Mode

165. Any goods that require an export declaration or a permit and are exported by aircraft must be reported no less than two hours before the goods are loaded onto the aircraft.

166. For example, any goods, including controlled goods, leaving Ottawa, Ontario, by aircraft on a continuous movement to Hong Kong, via Vancouver must be reported by presenting the B13A or a copy of the CAED or G7 EDI export report and the permit (if applicable) no less than two hours before the goods are loaded onto the aircraft in Ottawa. In this example, a continuous movement is one in which the goods reach their foreign destination by being transported from Canada on one or more aircraft. This means that the goods were transferred from a domestic flight directly to an aircraft destined for overseas. As such, the goods remained under CBSA control at all times.

Note: In some cases, not all shipments are immediately transferred to another aircraft directly due to the potential for different aircraft types operating on the various routes. There may be a requirement to repack the shipment into another container compatible with the aircraft operating beyond the point of connection. The goods always remain at the air carrier's bonded facility under CBSA control. This is considered a continuous movement.

167. In this example, if the shipment is offloaded in Vancouver, leaves CBSA control, is placed in a warehouse, and exported at another time to Hong Kong, then the reporting of any goods must take place in Vancouver, not less than two hours before the goods are loaded onto the aircraft in Vancouver.

Rail Mode

168. Any goods requiring an export declaration or a permit and are exported by rail must be reported not less than two hours before the railcar, on which the goods have been loaded, is handed over to the rail carrier to be assembled to form part of a train for export.

169. Non-controlled goods leaving Canada en route to the United States do not have to be reported, as the information is obtained by Canada under the MOU on the Exchange of Import Data between Canada and the United States.

170. For controlled goods leaving Winnipeg, Manitoba, en route to the United States via Emerson, Manitoba, the permit may be presented in Winnipeg to start the clock, not less than two hours before the railcar, on which the goods have been loaded, is handed over to the rail carrier to be assembled to form part of a train for export. However, the

permit must also be presented in Emerson before the goods are exported, unless another agreement has been negotiated between the rail companies and the CBSA.

Marine Mode

171. Any goods, including controlled goods, leaving a Canadian port en route to a foreign port will be reported by presenting the B13A or a copy of the CAED or G7 EDI export report and the permit (if applicable) not less than 48 hours before the goods are loaded onto the vessel. The report would be presented at the office closest to the port where the goods are loaded.

172. For controlled goods leaving a Canadian port, en route to the United States, the permit must be presented and the goods made available for inspection at the place specified on the permit 48 hours before the goods are loaded onto the vessel.

173. Some vessels load goods in more than one port. For example, if goods are loaded onto a vessel in Montréal, Quebec, that sails to Halifax, Nova Scotia, those goods, whether controlled or not, would be reported by presenting the export declaration and the permit (if applicable) not less than 48 hours before the goods are loaded onto the vessel in Montréal. The goods loaded in Halifax would be reported by presenting the export declaration and the permit (if applicable) not less than 48 hours before the goods are loaded onto the vessel in Halifax.

Intermodal

174. Sometimes, goods are exported from Canada and the transportation involves more than one type of carrier, i.e., intermodal movements. Intermodal refers to the capacity to go from vessel to train to truck or the like.

175. The export declaration must be presented at the export reporting office nearest to where the goods are loaded to start their continuous movement from Canada.

176. In this case, the reporting time frame to be honoured involves both modes of transportation.

177. Where the goods are controlled, the permit must be presented according to legislated time frames, at the place stated on the permit. If the permit does not name a place of exit, the permit and the export declaration (if required) must be presented at the export reporting office closest to the place of exit. The documents must be presented to meet the time frame applicable to the mode of transportation by which the goods leave Canada.

178. When more than one mode of transportation is used to export goods, the time frames for reporting in each of these modes apply concurrently. The following summarizes the time frames for reporting any goods that are transported intermodally.

(a) exportation via rail and marine modes. If the goods are reported at the place where they are loaded onto the

railcar, they must be reported not less than two hours before the railcar holding the goods is handed over to be assembled into a train. In order to also meet the marine reporting time frame, it must be reported not less than 48 hours before the goods are loaded onto the vessel. The two hours under the rail reporting is part of the 48 hours for the marine reporting. In other words, the clock starts at the same time for both reporting time frames.

If the goods are reported only at the place where they will be loaded onto the vessel, the 48-hour time frame has to be observed before they are loaded.

(b) exportation by two modes of transportation such as air and rail, which have a similar reporting time frame. The reporting time frame to be met will be that of the mode of transportation starting the export movement where the export documents are presented to the CBSA.

(c) exportation via air or rail and highway. In these scenarios, the goods must be reported within the time frame required for the mode of transportation where the export documents are presented.

(d) exportation starting in highway mode followed by another mode. As the movement by truck within Canada could be considered a domestic movement, unless it is moved under CBSA control, the shipment would be reported at the office where the other mode of transportation starts. If the movement starts with a highway carrier that is under CBSA control, the report could take place at the beginning of the movement.

179. The following examples represent the most common intermodal movements.

Rail/Marine

180. Any goods leaving Winnipeg, Manitoba, by train en route to Vancouver, British Columbia, to be put aboard a vessel to be delivered for consumption to a country other than the United States may be reported in Winnipeg or Vancouver. The clock starts at the first place of report. The report may be submitted in Winnipeg not less than two hours before the railcar, on which the goods have been loaded, is handed over to the rail carrier to be assembled as part of the train for export. If the goods are reported in Winnipeg, the time frame must also include the time frame for vessel reporting, which is not less than 48 hours before the goods are loaded onto the vessel. The two hours is part of the 48 hours. Alternatively, the goods may be reported in Vancouver, not less than 48 hours before they are loaded onto the vessel.

181. If these are controlled goods, and whether or not they have been reported in Winnipeg to meet the reporting time frames, the permit must also be presented in Vancouver. A copy of the B13A or a paper copy of the CAED or G7 EDI

export report must accompany the permit, and the goods must be available for inspection in Vancouver. If the goods were reported in Winnipeg, the export documents must be presented in Vancouver before handing the goods over to the outbound carrier. If the goods and the export documents were not physically reported in Winnipeg, the export documents must be presented in Vancouver not less than 48 hours before they are loaded onto the vessel.

Highway/Marine

182. Any goods leaving Saint John, New Brunswick, by a bonded highway carrier en route to Halifax, Nova Scotia, to be put aboard a vessel to be delivered for consumption to a country other than the United States may be reported in Saint John or Halifax.

183. If the goods are reported in Saint John, the report must be submitted before the truck leaves Saint John, and also 48 hours before the goods are loaded onto the vessel in Halifax.

184. If the goods are reported in Halifax, the report must be submitted 48 hours before the goods are loaded onto the vessel.

185. If the goods are controlled and have been reported in Saint John, according to the time frames for reporting, a copy of the permit and the B13A or a paper copy of the CAED or G7 EDI export report must also be presented in Halifax where the goods must be available for inspection. The documents must be submitted in Halifax before the goods are exported from Canada.

Highway/Rail

186. Non-controlled goods leaving Chicoutimi, Quebec, by a bonded highway carrier en route to Montréal, Quebec, where they will be put on board a train bound for an American seaport to be put on board a vessel for delivery and consumption in a destination other than the United States may be reported in Chicoutimi or Montréal.

187. In either location, the presentation of the export declaration must respect the time frame for rail reporting. This means not less than two hours before the railcar, on which the goods have been loaded, is handed over to the carrier to be assembled into a train for export.

188. If the goods are controlled, and have already been reported in Chicoutimi, a copy of the export declaration and the permit must also be presented in Montréal where the goods must be available for inspection. The documents must be submitted before handing the goods over to the outbound carrier for export from Canada.

189. If the controlled goods were not reported in Chicoutimi, they must be reported in Montréal by submitting a copy of the export declaration and the permit. The goods must be available to the CBSA for inspection.

Highway/Air

190. Non-controlled goods leaving Fortune, Newfoundland and Labrador, by a bonded highway carrier en route to St. John's to be put aboard an aircraft bound for delivery and consumption in a country other than the United States may be reported in either Fortune or St. John's.

191. In either location, the report must be submitted not less than two hours before the goods are loaded on board the aircraft in St. John's. The goods must be available for inspection where the export documents are presented. If the CBSA at the airport is not available on a 24-hour basis or two hours before the goods are loaded onto the aircraft, the report will have to be presented at a time when the office is open for business.

192. If the goods are controlled, and if they were reported in Fortune, a copy of the B13A or the CAED or G7 EDI export report and the permit must also be presented in St. John's where the goods must be available for inspection. The documents must be submitted before loading the goods onto the aircraft for export from Canada.

MEMORANDUM OF UNDERSTANDING FOR CARRIERS AND SERVICE PROVIDERS EXPORT REPORTING

193. Under the Regulations, carriers, customs service providers and exporters must adhere to certain rules with regard to the export of goods from Canada. In an effort to ensure that all goods exported are reported to the Government of Canada, the CBSA has entered into MOUs with carriers and service providers to ensure that they load for export only those goods that the exporter has reported to the CBSA.

194. The MOU is aimed at enhancing the CBSA's ability to prevent the export of unreported goods and contraband. Recognizing that export trade has increased significantly in recent years and that part of the CBSA's mandate is to control the export of controlled goods, contraband and goods destined for embargoed countries, the MOU represents a non-binding administrative arrangement between the participant and the CBSA to fulfil certain obligations.

195. Participants in these MOUs include marine, air, rail and highway carriers, as well as customs service providers, which includes consolidators, freight forwarders, agents, brokers and non-vessel operating common carriers.

196. The key commitment on the part of the participant is to accept for exportation only those goods that have been reported to the CBSA by the exporter in accordance with the Regulations, and for which the participant can provide to the CBSA written proof that the goods have been reported. If there is no proof of report, the MOU participant will not load the goods.

197. Detailed information on the proof of report are found under the section called Proof of Report.

198. Another commitment of the MOU participant is to provide the exporter directly or indirectly with a transportation document number for each export shipment. This number is a reference number that will allow the carrier to track the shipment. It can take the form of a booking number, manifest number, waybill number or charter party date.

199. In the case of bulk goods, which can be reported just before the goods are exported, the bill of lading is not available to the exporter at the time the goods are loaded. In this case, the carrier will supply the exporter with the booking reference number assigned to the shipment. It is recommended that exporters of bulk goods join the Summary Reporting program, details of which are outlined in section called Export Summary Report Program.

200. Service providers may also have an agreement with their client, the exporter, to present export declarations and permits to the CBSA on their behalf. For more information on the documents that an exporter must submit to the CBSA, see the section called Export Documents to be Submitted to the CBSA.

Proof of Report

201. Proof of report will be in accordance with the method of report, as follows:

- (a) In the case of a Canadian Automated Export Declaration, the proof of report is 23 digits in length, e.g. 12X543SC123420081012345, and includes:
 - (i) the licence number, which is composed of two numeric, one alphabetic and three numeric digits, e.g. 12X543;
 - (ii) the authorization ID, which is composed of two alphabetic and four numeric digits, e.g. SC1234; and
 - (iii) the form ID, which is composed of the year, month and five-digit sequential transaction number, e.g. 20081012345.
- (b) In the case of G7 Electronic Data Interchange(EDI) Export Reporting, the proof of report is 17 digits in length, e.g. RC123420081012345, and includes:
 - (i) the authorization ID, which is composed of two alphabetic and four numeric digits, e.g. RC1234; and
 - (ii) the form ID, which is composed of the year, month and five-digit sequential transaction number, e.g. 20081012345.

Note: The license number issued to G7 EDI Export Reporting participants **does not** form part of the proof of report.

(c) In the case of Form B13A, *Export Declaration*, the CBSA-issued stamp, which may be manual or

automated, provides proof that the export declaration was presented to the CBSA and that the goods were reported within the time frames stated in the Regulations. The stamp consists of the year/month/day, time, port code and a unique six-digit reference number, e.g. 2008/10/17 13:00 497 123456.

(d) In the case of summary reporting, the proof of report is the summary reporting ID number, e.g. SUM1234. This ID is unique to the exporter and does not change with each shipment.

It is the exporter's ultimate responsibility to provide the proof of report number to the carrier or customs service provider.

(e) No Declaration Required

Sometimes, exporters do not have to report their exports to the CBSA. Reasons for these exemptions include: goods exported for consumption in the United States, non-controlled goods valued at less than CAN\$2,000, and diplomatic goods.

For a comprehensive list of exempted goods, visit the CBSA Web site.

If the goods to be exported are exempt from being reported on an export declaration, the exporter is required to specify to the MOU participant that No Declaration is Required.

COURIERS AND EXPORTS

202. Courier or Express delivery services consist of a commercial carrier engaged in scheduled transportation services encompassing the expedited collection, transport and delivery of documents, printed matter, parcels and/or other goods, while tracking the location of, and maintaining control over, such items throughout the supply of the service, excluding goods shipped as mail handled exclusively through the services of a postal authority.

203. Express delivery is not to be confused with ExpressPost, which consists of the transportation services of mail/goods handled exclusively through the services of a postal authority. This may include mail, documents, printed matter, parcels and/or other goods.

204. In order to accommodate the time frames for export reporting in air mode, exporters are permitted to fax their B13A and/or the permit (if applicable) to their courier who will submit it to CBSA for stamping. In this way, the exporter meets the two-hour time frame required for reporting in air mode and the loading of the goods onto the plane is not held up. The courier would submit the original permit with the air waybill to the CBSA the day after. If the courier is acting in the capacity of a customs service provider and submitting the documents on behalf of the exporter, the courier would return a copy of all stamped documents to clients for their records. The courier or freight forwarder may charge an additional fee for this service.

CUSTOMS SERVICE PROVIDERS REPORTING

205. A customs services provider (CSP), in respect of goods that are exported, means a person, including an agent of the exporter, a customs broker or a freight forwarder, that is engaged in providing to the exporter, services relating to the exportation of the goods, other than solely transporting goods from Canada. This also covers shipping agents and non-vessel operating common carriers.

206. For the purposes of the Regulations, a CSP may also be the carrier of the goods. In this case, the responsibilities outlined in D3-1-8, *Cargo – Export Movements*, must also be fulfilled.

Reminder: The definition of an exporter includes a reference to the holder of a BN who causes goods to be exported. The phrase “cause them to be exported” is not to be construed as the person involved in the transportation arrangements. Therefore, under this definition, the CSP is not responsible for submitting an export declaration.

207. However, if a CSP is acting as the representative of the exporter, the responsibilities for the exporter, outlined throughout this memorandum, must also be fulfilled. CSPs who prepare the export documentation on behalf of exporters and make the transportation arrangements for the exportation of the goods will be required to provide the exporting carrier with proof that the goods were reported to the CBSA.

208. In the case where a CSP prepares the B13A but does not make the transportation arrangements for the goods, the exporter must present the export declaration to the CBSA for stamping. The exporter would then be responsible for providing this proof of report to the carrier or service provider involved in the next step of the exportation process.

209. CSPs who prepare the export declaration electronically must provide the proof of report to the service provider arranging for the transportation of the shipment or the exporting carrier, depending on the circumstance. As exporters are obliged to keep records for six years, it is the exporters' responsibility to obtain a record of the proofs of report for their files, in case they are audited. As of the date of this memorandum, CSPs are not required to retain records on behalf of the exporter, but must keep records for three years for other CBSA programs.

Note: When a CSP prepares the export declaration, the exporter must remember that any penalties resulting from submitting it will be assessed against the owner of the BN. The service provider must confirm with the exporter that the BN on the declaration is correct. If the BN is incorrect, the exporter could receive an AMP for incorrect information. For more information on the BN, see the section called Business Number. Exporters may wish to have contractual arrangements in place with their service providers to deal with matters such as penalties.

210. For more on the proof of report, see the section called Proof of Report.

211. This section on CSP reporting applies to the responsibility of the CSP as outlined in section 14 of the Regulations.

212. Under the Regulations, CSPs are not required to present any documentation pertaining to the exportation of goods to the CBSA on a regular basis.

213. However, if at any time before the exportation of the goods, the CBSA has reason to suspect that the goods are being exported contrary to an Act of Parliament, it may request the CSP to report the goods. In this case, the CSP shall provide a report in writing to the requesting export reporting office before the goods are exported. This action is deemed necessary if there is suspicion about a particular shipment or if intelligence information has been received. In either event, the CBSA will want to inspect the individual shipment or container.

214. The written report must be in the form of a manifest, and should include pertinent data such as: the place of final destination, the commodity, the exporters' names, the proof of report numbers (in the case of MOU participants), the booking number, container number and vessel name (if marine).

215. While CSPs may not have the cargo manifest (internal document of the exporting carrier) or the bill of lading in their possession, unless they are the exporter's freight forwarder, they would have a house file number of the shipment.

216. If a CSP fails to abide by the request of the border services officer to present a report before export, the goods will be held until a report is presented.

217. Freight forwarders and other service providers may sign an MOU for carrier reporting with CBSA. There is no requirement to sign an MOU but participation offers benefits. Participation in this MOU is an acknowledgement of the commitment of service providers to ensure that they are compliant with Canadian export reporting regulations and that they secure the compliance of their clientele to facilitate and expedite export shipments to their mutual benefit.

218. For information on MOUs, see the section called Memorandum of Understanding for Carriers and Services Providers Export Reporting.

REVIEW AND PROCESSING OF EXPORT DOCUMENTS BY THE CBSA

219. The CBSA will receive various paper export documents, such as the form B13A, *Export Declaration*, and the export permit for review and processing. It will also be able to view the CAED and G7 EDI export reports online.

220. The CBSA should ensure that all mandatory fields of the B13A are completed. If the B13A is not complete, an AMP may be given. If pertinent information, such as a permit in the case of controlled goods, is missing the CBSA may hold the goods until it has contacted the exporter or CSP and obtained the information.

221. If the CBSA inspects the goods, it will indicate that this has taken place by completing field 9(b) of the B13A, "Goods inspected by customs", and affixing the personal stamp of the border services officer who has carried out the inspection. If the exporter has reported electronically and the goods have been inspected, the border services officer will check the appropriate box in the electronic report.

222. When a permit is required, the goods described on the export declaration should be the same as those indicated on the permit.

223. For controlled goods to the United States, an export declaration is not required, but a permit must be presented, in accordance with the time frames outlined in paragraphs 153-157.

224. For a B13A form, visit the CBSA Web site at www.cbsa.gc.ca under Publications and forms. To view the CAED Web site go to www.statcan.gc.ca under Imports and exports.

225. After the paper documents have been reviewed, the CBSA will sort them in the following manner:

(a) B13As with a proof of report number

The CBSA will ensure that a proof of report number that follows the required format is inserted in field 9(a) of the B13A. The number consists of the date and time that the B13A was stamped, the CBSA office code and a six-digit assigned reference number. A stamp machine that is located in certain CBSA offices can generate the proof of report number. Alternatively, it can be handwritten by a border services officer in the same format as the machine-generated stamp and recorded in the appropriate logbook. When the stamp is handwritten, the border services officer will also apply the CBSA stamp of that office.

(b) B13As without a proof of report number or an incorrect number

Form B13A should not be submitted without a proof of report number, but, occasionally, exporters may not be aware of the completion requirements for the form and have dropped it in a box at the CBSA office without having the document stamped.

Note: MOU participants will not accept shipments without receiving this proof of report number, which is the proof that the exporter has reported to the CBSA.

Any B13A submitted to the CBSA without a proof of report number is incomplete. Because the proof of report includes the time that the document was stamped, this B13A is not considered to have met the time frame for export reporting. In this case, the CBSA could apply an AMP.

(c) B13As with permits attached

The proof of report number on the B13A must be validated in accordance with (a) or (b) above.

The CBSA will review the permit to ensure that the information matches that of the attached B13A. If a B13A is not attached and if the goods have not already been exported, the CBSA should request a B13A. Giving an AMP should also be considered. The goods will not be permitted to leave the country until the B13A is submitted. If the goods have been exported, the CBSA will issue an AMP. If the goods were reported using CAED or G7 EDI, a paper copy of the export declaration must be attached to the permit. The CBSA will separate the permit from the export declaration.

In the case of goods exported under a GEP to a country other than the United States destination for consumption, there is no paper copy of a permit. The GEP number should be stated in the export permit/licence no. field of the B13A.

For goods exported under a GEP for consumption in the United States, a B13A is not required. At the time of writing of this memorandum, Foreign Affairs and International Trade Canada has not provided any document to include the GEP information that could be presented to the CBSA.

For goods that fall under a GEP, which are exported to a country other than the United States and are being reported under CAED or G7 EDI, the CBSA can query CAED and the G7 EDI export report through the electronic system.

Goods and/or technology under the category of item 5400 of the Foreign Affairs and International Trade Canada's Export Control List and which are destined for Belarus, Cuba, Iran, Myanmar, Democratic People's Republic of Korea or Syria must be reported by presenting both a B13A and an individual export permit. A reference to this special individual permit should be indicated in field 2, permit/licence no., of the B13A. A copy of the permit must be submitted with the export declaration at the place of exit.

Goods valued at less than CAN\$2,000 and exported under GEP 12 for consumption in destinations other than those mentioned above do not have to be reported to the CBSA by presenting an export declaration.

Goods valued at less than CAN\$2,000 and exported under **any other GEP** for consumption in destinations other than those mentioned above must be reported to the CBSA by presenting an export declaration and indicating the GEP number in field 2, permit/licence no., of the B13A.

Goods valued at CAN\$2,000 or more exported under any GEP must be reported. Exporters reporting manually via the paper B13A must submit a copy of the declaration. Exporters using CAED or G7 EDI Export Reporting, will report electronically, but will not have to submit a paper copy of the B13A, as the CBSA can view these declarations electronically.

For other details on GEPs, see the section called Reporting Goods under General Export Permits.

The CBSA will forward the B13As to Statistics Canada. Paper copies of CAED or G7 EDI export reports should not be submitted to Statistics Canada, as the declaration has already been reported electronically.

When the place of report is specified on the permit, the export documents and goods must be presented only at that place. On many Foreign Affairs and International Trade Canada permits, the exporter and not Foreign Affairs and International Trade Canada completes the permit application and states where the goods will leave Canada. When the OGD states the place of report on the permit, the export reporting office specified on the permit will process the export documents.

The exporter must ensure that the B13A or a paper copy of the CAED or G7 EDI report, along with the permit, are presented at the export reporting office that is closest to the place of exit from which the goods are expected to leave Canada, or at the place specified on the permit, within the time frames stated in the section called Time Frames for Export Reporting.

With regard to processing permits, certain OGDs that regulate the export of controlled goods want to receive the permit when it is completed or expired. The CBSA office at the place stated on the permit, or at the CBSA office located closest to the place of exit that is responsible for receiving these documents will follow the procedures specified by those OGDs and forward the permits to them when required. If the OGD does not wish to receive the permit, the CBSA is not required to maintain a copy on hand.

For additional information on permits that fall under OGDs, see the Memoranda D19 series.

If enforcement action is contemplated, the CBSA should also make a photocopy of the B13A and permit for its files.

Forwarding of B13As to Statistics Canada

226. Every Friday, the CBSA will forward the B13As to Statistics Canada. This includes air waybills, which may be attached to the B13As. These documents should be sent in postage-paid SC-2 envelopes. If the volume is such that the B13As will be sent in a box rather than envelopes, the CBSA will attach an SC-2 envelope to each box. Each CBSA office is responsible for ordering and maintaining a supply of these envelopes, which may be obtained through regional stores. To replenish regional supplies or in emergencies, Statistics Canada may be contacted directly by fax at 613-951-6823 or **1-888-269-5305** or by e-mail at expdata@statcan.ca.

227. Export reporting offices designated by the International Trade Division of Statistics Canada will forward the B13As in the SC-2 envelopes by Express Post every Friday. Other CBSA offices will forward their B13As by regular mail using SC-2 envelopes.

228. In order for Statistics Canada to produce the most accurate and reliable statistics possible, the CBSA must ensure that they forward the B13As on time, as required. Statistics Canada has only a few days at the end of the month to ensure that all B13As are accounted for in the proper month's statistics.

EXAMINATION OF GOODS BY THE CBSA

229. Subsection 99(1)(c) of the *Customs Act* provides for the examination of goods that are to be exported.

230. From time to time, the CBSA needs to examine goods that are to be exported. Exporters are required to report their exports at a designated CBSA office, i.e., a CBSA office that has the capacity to receive export reports as well as examine the goods, if required. For a list of these offices, visit the CBSA Web site. If any designated CBSA office is unable to examine the goods, it is up to that CBSA office to make the necessary arrangements with another port or warehouse (normally a sufferance warehouse or a bonded facility under CBSA control) to have the goods examined.

231. Export examinations may take place at either the CBSA port from which the goods leave Canada or at an approved inland location close to the CBSA port where the goods are reported.

232. The border services officer will review the export declaration and other export documentation to assess the risk and determine whether an examination is necessary. If an examination is required, the exporter or the person in control of the goods at the time of the request (normally the freight forwarder or the exporting carrier) will be asked to bring the goods to a sufferance warehouse.

233. After the goods have been examined and if they were reported using the paper B13A, border services officers will

record that an examination has taken place, by ticking the appropriate box of the B13A and affixing their CBSA stamp.

234. If the goods have been reported using electronic means via CAED or G7 EDI Export Reporting, the border services officer will indicate in the system that the goods were examined. Notification, either on paper or in the electronic system, that the goods have been verified informs the CBSA at the place where the goods are being exported that the goods were or were not examined.

235. The border services officer carrying out the examination will determine the degree of CBSA control required for the goods to continue their journey. The goods may move without any CBSA control, on a bonded carrier or on a bonded carrier under seal.

236. The CBSA reserves the right to examine goods for export at any time from the moment they are reported to the CBSA, to the time they physically leave Canada.

Note: In all cases, destuffing for examination purposes is a cost to the exporter.

DETENTION OF EXPORTS

237. The CBSA recognizes that the undue delay of export shipments may have a detrimental effect on the economy of the country, and such delays are not in Canada's interest. At the same time, the impact of inaccurate export trade statistics on the country's economic policy cannot be overemphasized.

238. Canada has an active program to control the export of strategic goods. Some shipments may be detained to confirm whether these controls apply to such shipments and if proper permits have been obtained.

239. Export shipments will be detained in the following circumstances:

- (a) for goods subject to export controls, if
 - (i) additional information is required from the exporter and/or a controlling entity to determine if the goods are controlled for export;
 - (ii) the required permit has not been presented;
 - (iii) discrepancies exist between the information provided on the export declaration and the export permit with regard to the description of the goods, quantity and unit of measure, or the destination;
 - (iv) the required permit is not yet effective or has expired; and/or,
- (b) if the provisions of subsection 97.25 (1) (outstanding debt to the Crown) or section 101 (detention of controlled goods) of the Act have been directed against an exporter.

240. Detention imposed under paragraph 239 (a) above may be lifted when the CBSA receives:

- (a)
 - (i) written release from the controlling OGD or additional information from the exporter;
 - (ii) a valid permit;
 - (iii) proof that a permit was not required and, therefore that, any liability incurred has been discharged;
 - (iv) information clarifying the discrepancy between the export declaration and the permit; and/or,
- (b)
 - (i) confirmation that the debt has been paid or excused;
 - (ii) information satisfying a border services officer that the goods have been dealt with in accordance with the Act or any other Act of Parliament which governs these goods.

Note: When a penalty is applied against a non-resident exporter and the exporter refuses to pay the penalty, subsequent shipments may be detained until the outstanding penalty is acquitted.

COMPLIANCE VERIFICATION

241. The CBSA is moving to a full risk-management regime and will continue to monitor all parties in the export process through the compliance verification program.

ADMINISTRATIVE MONETARY PENALTY SYSTEM

242. The AMPS is a civil penalty regime designed to encourage compliance with customs legislation. The penalties are intended to be corrective rather than punitive.

243. The initial amount and increments of these monetary penalties were established after giving due consideration to the type, frequency and severity of each infraction. Most penalties are graduated and take the compliance history of the client into consideration.

244. When an exporter infraction is detected, the AMP is applied against the BN appearing on the export declaration. The BN should be that of the exporter, who is defined under the Regulations as ‘the holder of a BN who exports commercial goods or causes them to be exported’. For more information on the BN, see the section called Business Number.

245. In the case of penalties applied against a non-resident exporter, if the exporter refuses to pay the penalty, subsequent shipments may be detained until the outstanding penalties are acquitted.

246. When an AMP is issued against an exporter, the CBSA will make a copy of the B13A (if one was provided), the CAED or G7 EDI export report, and file it in the local

office “Outstanding Corrections” and open an AMPS penalties file.

247. In the case of penalty action where an export declaration is not required, as in the case of permitted goods to the United States, the penalty would be issued against the holder of the permit.

248. New and amended B13As received by the CBSA as a result of sending an AMPS Notice of Penalty Assessment to the client, must be forwarded to Statistics Canada.

249. When an infraction against a CSP is detected, the AMP can be applied against the BN. If the BN stated on the export declaration is that of the CSP who is acting on behalf of a client, the AMP will be applied against the CSP.

250. For information on AMPS, see Memorandum D22-1-1 or visit the CBSA Web site under the A-Z index.

251. For details on point of finality, see the section called Point of Finality for Declaring Exports for Enforcement Purposes.

Seizures and Ascertained Forfeitures

252. Most contraventions will be dealt with using AMPS. However, because legislative requirements provide that certain goods may enter or leave Canada only under controlled conditions and some infractions require greater deterrence, seizures and ascertained forfeitures continue to form part of the measures needed to address certain offences.

253. A seizure is a legal action, the result of which calls for certain goods taken from offenders to become the property of the Government of Canada. It is invoked when reasonable grounds exist to conclude legislative requirements pertaining to a suspected infraction call for the goods or the conveyance to be seized or when the goods are deemed to be dangerous or socially unacceptable. Seizures are subject to appeal within 90 days. Nearly all seized goods are ultimately destroyed or otherwise disposed of as prescribed by the Minister.

254. Ascertained forfeiture is the legal process used when seizure would be impractical, impossible, as in the case of goods that have already been exported, or constitute excessive punishment. Used under basically the same conditions as a seizure, an ascertained forfeiture normally results in a monetary penalty equivalent to seizure of the goods. However, the Minister may prescribe a reduced penalty amount under certain circumstances. Like seizures, ascertained forfeitures are subject to a 90-day appeal period. Any outstanding amount not paid on time is subject to interest.

Note: In both AMPS and seizure action, it will be CBSA’s intent to penalize the party responsible for any falsification of information on export documents by applying an AMP.

EXPORTS AND FREE TRADE

255. For Canadian exporters doing business under a free trade agreement, a certificate of origin must be completed in order for the importer in the foreign country to be able to claim preferential tariff treatment. One copy of this document should be forwarded to the importer. The exporter should retain a second copy.

256. For information on other documents that are required for these exports, see the section called Exporter Reporting.

257. For additional information on free trade agreements, contact the Border Information Service (BIS) toll free at **1-800-461-9999**. If calling from outside Canada call 204-983-3500 or 506-636-5064.

VOLUNTARY DISCLOSURE

258. Voluntary disclosure encourages clients to come forward and correct deficiencies to comply with their legal obligations. It is aimed at providing clients with an opportunity to correct past omissions, thus rendering themselves compliant. By offering this opportunity to self correct, clients are afforded a greater level of fairness.

259. Exporters are expected to provide complete and accurate reporting of their exports to the CBSA. Once an export report, which could consist of an export declaration and/or an export permit, has been submitted to the CBSA, it is considered that a point of finality has been reached in the reporting process. The report could be given directly to the CBSA by the exporter or through the intermediary of a customs service provider before beginning the shipment's movement for export.

260. For detailed information on the point of finality, see the section called Point of Finality for Declaring Exports for Enforcement Purposes.

261. Exporters who have failed to report exports to the CBSA should contact the local CBSA office to make arrangements to complete and submit the necessary export declarations and/or permits, as soon as they are aware of the oversight. This would include providing the CBSA with a written explanation indicating the reason for the late submission of the documents and the date of the actual export. The CBSA would batch the letter with the export declaration(s) and forward the package to Statistics Canada. This package of export declarations should be sent separately from the regular weekly submissions.

262. For an exporter who is subject to an audit by the CBSA and has been told that the necessary export documentation has not been presented, voluntary disclosure would not be an option as the point of finality would have passed and AMPS could be applicable. For more information on point of finality, the section called Point of Finality for Declaring Exports for Enforcement Purposes.

RECORD KEEPING

263. Subsection 97.2 (1) of the *Customs Act* states that every person who exports goods or causes them to be exported shall keep at the person's place of business in Canada, or at any other place that may be designated by the Minister, any records with respect to those goods in the manner and for the period that may be prescribed. This includes records in either paper and electronic format.

264. In the case of non-resident exporters, the designation of where the records may be kept is a program arrangement that would be made for each non-resident exporter. If the non-resident uses a customs service provider in Canada to prepare the export documentation, an agreement could be made with the service provider for the records to be held in this office.

265. For more information on record keeping, see the *Exporters' and Producers' Records Regulations*.

266. Also, under 97.2(1) of the Act, if a border services officer requests to see the records, they shall be made available to the border services officer within the time frame specified by the border services officer. The person providing the records shall answer any questions that the border services officer may ask with respect to those records.

Availability of Records for Inspection and Delivery

267. The records referred to in subsection 97.1(2) of the Act shall be kept in such a manner as to enable a border services officer to obtain or verify any of the export information contained therein, or to perform detailed audits of the records.

268. If the CBSA needs to review the export documents held outside Canada, the CBSA would contact the non-resident exporter, arrange to receive the documents and return the documents to the exporter after reviewing them.

Retention Period for Records

269. All exporters are required to retain their records for a period of six years following the exportation of the goods. More information on record keeping for exporters is found in D20-1-5, *Maintenance of Records and Books in Canada by Exporters and Producers*.

Non-Compliance of Record Keeping

270. Persons who fail to keep records for exports or persons who failed to make the records available to the border services officer within the time frame specified may be subject to an AMP.

Maintenance of Records by Customs Service Providers

271. Under the Regulations, any customs service provider who has signed an MOU with the CBSA is required to maintain records of the exporters' proof of report numbers.

ADDITIONAL INFORMATION

272. For other information or clarification on exporting goods from Canada, contact BIS at **1-800-461-9999**. If calling from outside Canada, call 204-983-3500 or 506-636-5064.

APPENDIX

GENERAL EXPORT PERMITS REPORTING REQUIREMENTS

Values	ECL Item 5400 (Goods originate in the United States origin, but are not otherwise controlled destined for GEP 12 eligible destinations)	ECL Item 5400 and other controlled goods destined for Belarus, Cuba, Iran, Myanmar, Democratic People's Republic of Korea or Syria	GEPs for other ECL-controlled items destined for eligible destinations	GEPs for those ECL-controlled items destined for the United States
Less than CAN\$2,000	Export Declaration not required Permit may be required	Export Declaration and individual permit required	Export Declaration required Note: GEP number must be referenced in the permit field of the export declaration	Export Declaration not required Note: GEP number should be cited on the manifest or other appropriate documentation
CAN\$2,000 or more	Export Declaration required Note: GEP 12 must be referenced in the permit field of the export declaration	Export Declaration and individual permit required	Export Declaration required Note: GEP number must be referenced in the permit field of the export declaration	Export Declaration not required Note: GEP number should be cited on the manifest or other appropriate documentation

REFERENCES

<p>ISSUING OFFICE – Export Process Border and Compliance Programs Directorate Admissibility Branch Canada Border Services Agency</p>	<p>HEADQUARTERS FILE – 7605-10-11</p>
<p>LEGISLATIVE REFERENCES – <i>Reporting of Exported Goods Regulations</i> <i>Exporters' and Producers' Records Regulations</i> <i>Customs Act</i></p>	<p>OTHER REFERENCES – D3-1-8, D6-2-3, D7-3-2, D7-4-2, D11-4-14, D19 series, D20 series</p>
<p>SUPERSEDED MEMORANDA “D” – D20-1-1, May 9, 2005</p>	

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

