



Ottawa, September 12, 2013

MEMORANDUM D13-3-10

IN BRIEF

Goods Imported in Split Shipments

The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.





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Goods Imported in Split Shipments

This memorandum provides information on the identification of the value for duty of goods imported in split shipments.

Legislation

Sections 44 to 55 of the *Customs Act*:
<http://laws-lois.justice.gc.ca/eng/acts/C-52.6/section-1.html>.

GUIDELINES AND GENERAL INFORMATION

1. The term “split shipment” refers to situations where goods cannot be released by the Canada Border Services Agency (CBSA) in a single shipment for reasons connected with delivery, transportation, payment, or the like and are consequently imported in partial or successive shipments, either through the same CBSA office or through different CBSA offices.
2. Generally, goods are imported in split shipments for one of the following reasons:
 - (a) Certain groups of goods and whole installations, such as industrial installations or plants, have to be imported in several shipments because of, for example, their size, or production schedules. In such cases, the value for duty of each shipment generally cannot be determined at the time of importation since such transactions often involve engineering service contracts or price review clauses. If the requirements of the transaction value method are satisfied and there are no limitations on the sale for export of the goods to a purchaser in Canada, the value for duty of the whole installation may be based on the price paid or payable concluded between the buyer and the seller, adjusted in accordance with subsection 48(5) of the *Customs Act* (the Act) and apportioned as necessary:
 - (i) If a partial shipment has been invoiced separately, it will be necessary to apportion any adjustment identified in subsection 48(5) of the Act to the amount of the invoice.
 - (ii) If the partial shipment has not been invoiced separately, an apportionment of the total value for duty of the transaction could be made in a reasonable manner appropriate to the circumstances and in accordance with generally accepted accounting principles.
 - (b) The quantity of goods to be delivered is too great to be imported in a single shipment and must be split to effect delivery. If the requirements of the transaction value method are satisfied and there are no limitations on the sale for export of the goods to a purchaser in Canada, the value for duty of a shipment of the goods imported may be based on the unit price paid or payable, multiplied by the number of units in the shipment, and adjusted in accordance with subsection 48(5) of the Act.
 - (c) A quantity of goods to be imported is split to effect delivery of individual shipments to different ultimate destinations. In this situation, if the requirements of the transaction value method are satisfied and there are no limitations on the sale for export of the goods to a purchaser in Canada, the value for duty of a shipment of the goods imported may be based on the price paid or payable for the total transaction apportioned in accordance with the instructions provided in subparagraphs (a) and (b) above, whichever is appropriate in the circumstances.
3. In the event that goods imported in split shipments cannot be valued under the transaction value method, an apportionment of a calculation of value for duty made under sections 49 to 53 of the Act can be made with consideration to the information provided in paragraph 2 of this memorandum.

Additional Information

4. For more information, call contact the [CBSA Border Information Service](#) (BIS):
 - Calls within Canada & the United States (toll free):
1-800-461-9999
 - Calls outside Canada & the United States (long distance charges apply):
1-204-983-3550 or 1-506-636-5064
 - TTY: **1-866-335-3237**
 - [Contact Us online](#) (webform)
 - [Contact Us](#) at the CBSA website

REFERENCES

ISSUING OFFICE – Trade Programs Directorate	HEADQUARTERS FILE – 79070-4-3
LEGISLATIVE REFERENCES – <i>Customs Act</i>	OTHER REFERENCES – N/A
SUPERSEDED MEMORANDA “D” – D13-3-10, March 27, 2001	

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

