



Ottawa, April 28, 2015

Memorandum D13-3-5

Treatment of Transportation Costs for Goods Delivered to a Location Outside of Canada for Subsequent Importation

In Brief

This memorandum provides guidance on the treatment of transportation costs in a calculation of value for duty in circumstances where a Canadian importer collects its goods at an intermediate point outside Canada and subsequently imports them into Canada.

Legislation

[Customs Act](#)

[Direct Shipment of Goods Regulations](#)

Guidelines and General Information

1. The value for duty of all goods imported into Canada must be established in accordance with the provisions set out in sections 44 to 55 of the [Customs Act](#) (the Act). The Act requires that transportation and associated costs to the place of direct shipment of the goods must be included in the calculation of value for duty. To determine how these costs are treated, the place of direct shipment must be established.
2. The place of direct shipment to Canada is the physical location of the goods where they begin their direct and uninterrupted journey to a specific destination in Canada. This will usually be the location where the goods are loaded onto the carrier with a specific location in Canada identified on transportation documents as their destination. If the journey is broken temporarily because the goods must change carriers, the goods are said to be transhipped. For more information on the place of direct shipment and transhipment, refer to [Memorandum D13-3-4, Place of Direct Shipment](#).
3. Transportation and associated costs incurred after the imported goods leave the place of direct shipment are not included in the value for duty. For more information on transportation and associated costs, refer to [Memorandum D13-3-3, Transportation and Associated Costs](#).
4. In support of a value for duty declaration, an importer must possess documentation that indicates the place and the date of direct shipment, and the event that caused the goods to be shipped to Canada. There is no single prescribed document from which this information is required to be obtained, and it may be necessary to acquire the documentation from sources other than the vendor (e.g., exporter, transportation company).
5. The transaction value method is the primary basis of determining the value for duty of imported goods and it is based upon the actual selling price of the goods.
6. Where a Canadian purchases goods from a foreign vendor but the goods are delivered to an intermediate point outside Canada for collection and subsequent importation, the place of direct shipment is the place from which the goods were shipped, provided that:
 - (a) documentation exists indicating that the goods were sold for delivery to the intermediate point and all other transhipment requirements are satisfied; and

(b) upon collection at the intermediate point, the goods are imported promptly to Canada.

Note: In these circumstances, the intermediate point is considered a transshipment point.

7. For example, a Canadian resident in British Columbia purchases a set of cutlery via the internet from a vendor in California and the goods are delivered to a post-office address in Washington State. The Canadian then travels to the United States, collects the goods at the post-office and imports them upon return to Canada.

8. The amount charged by the vendor to ship the cutlery set to the post office is not included in the value for duty provided that the shipping charge is identified separately from the amount charged for the goods.

Additional Information

9. 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 and Anti-dumping Programs Directorate
Headquarters File	79070-4-4
Legislative References	Customs Act Direct Shipment of Goods Regulations
Other References	D13-3-3 , D13-3-4
Superseded Memorandum D	N/A