



## Memorandum D8-2-3

Ottawa, June 4, 2015

### Application of the *Non-commercial Importations Remission Order*

#### In Brief

1. This document has been updated to revise the list of countries where repair or alterations may be done under tariff item No. 9992.00.00.
2. This document contains editing revisions that do not affect or change existing policies or procedures, including changes to the Canada Border Services Agency organizational structure.

This memorandum outlines the conditions under which a remission may be granted on customs duties and excise taxes paid or payable on non-commercial imported goods.

#### Legislation

[Non-commercial Importations Remission Order](#)

### Guidelines and General Information

#### Who can use the *Non-commercial Importations Remission Order*?

1. The [Non-commercial Importations Remission Order](#) (Remission Order) may be of interest to resident and non-resident non-commercial importers, particularly those importing goods that have been exported for repair, and their agents.
2. Where repaired goods do not qualify under this [Remission Order](#), the importer may refer to [Memorandum D8-2-1, Canadian Goods Abroad Program](#), to determine whether or not the goods may qualify under that program. In addition, [Memorandum D8-2-26, Goods Re-entered After Repair or Alteration in the United States, Mexico, Chile, Israel or Another CIFTA Beneficiary](#), should be consulted for goods re-entering Canada after having been exported to one of the listed countries for either repairs or alterations.

#### Background

3. “Non-commercial imported goods” are those goods which are not imported for sale or for any commercial, industrial, or business use. To qualify under this [Remission Order](#), the total amount of customs duties and excise taxes, excluding the goods and services tax/harmonized sales tax (GST/HST), that would otherwise be payable on the goods cannot exceed fifty dollars. Where the total amount of customs duties and excise taxes owing exceeds fifty dollars CDN, the goods do not qualify under the terms of this Remission Order, and the full amount of duties and taxes owing is payable. Non-commercial imported goods that are exactly as ordered, that are not defective, or that are not of an inferior quality, do not qualify for remission under this Remission Order.
4. This [Remission Order](#) remits the customs duties paid or payable under the [Customs Tariff](#) and the excise taxes paid or payable under the [Excise Tax Act](#), not including the GST/HST, on non-commercial imported goods that are not of the class or description ordered by the importer, are defective, or are of inferior quality, **and** are exported or destroyed.

5. If the importer chooses to replace the non-commercial goods rather than claiming a refund of the customs duties and excise taxes paid on the goods exported or destroyed as described in paragraph 4, this [Remission Order](#) remits the customs duties paid or payable under the [Customs Tariff](#) and the excise taxes paid or payable under the [Excise Tax Act](#), not including the GST/HST, that would otherwise be owing on the non-commercial goods imported to replace the goods that were exported or destroyed.

6. If the non-commercial imported goods must be exported for repair under a warranty or guarantee arrangement during the first year following their importation, this [Remission Order](#) remits the customs duties paid or payable under the [Customs Tariff](#) and the excise taxes paid or payable under the [Excise Tax Act](#), not including the GST/HST, on the goods when they return to Canada.

### **Non-commercial Imported Goods Exported or Destroyed**

7. In the case of non-commercial imported goods that are not of the class or description ordered by the importer, are defective, or are of inferior quality, and are exported or destroyed, an application for remission must be submitted by the importer to the nearest customs office within ninety days of the exportation or destruction of the goods.

8. One of the following will serve as satisfactory proof that the goods were exported or destroyed:

- (a) Form [E15, Certificate of Destruction/Exportation](#);
- (b) a credit note;
- (c) a no-charge invoice on a replacement item; or
- (d) any other such document that will substantiate the return of the goods to the vendor.

### **Non-commercial Imported Goods Replaced**

9. Where the importer does not apply for a remission, refund, or drawback on customs duties or excise taxes payable on the goods exported or destroyed under the terms of this [Remission Order](#), remission may be granted on non-commercial imported goods imported to replace the goods exported or destroyed. They must be of a similar class and approximately the same value as the goods they are replacing, and the foreign supplier must assume their cost. They must also be imported within six months of the destruction or exportation of the goods they are replacing.

10. An application for remission must be submitted by the importer to the nearest Canada Border Services Agency (CBSA) office within ninety days of the importation of the goods. Satisfactory proof must be presented that the original goods were exported or destroyed, and that the foreign supplier assumed the cost of the replacement goods. As described in paragraph 8, examples of suitable proof that the foreign supplier assumed the cost of the replacement goods are:

- (a) a copy of the warranty;
- (b) a no-charge invoice; or
- (c) correspondence from the foreign supplier, substantiating the repair or replacement under warranty.

11. The customs duties and excise taxes that are owing on the replacement goods must be calculated on the full value for duty of the goods in the condition in which they enter Canada, in accordance with the valuation provisions of the [Customs Act](#).

### **Repair of Non-commercial Imported Goods**

12. Non-commercial imported goods that are exported from Canada for the sole purpose of being repaired, within one year from the day the goods were first imported into Canada, and are returned to Canada within six months from the day they were exported, may qualify for remission at time of re-entry. Except for shipping charges, communication expenses, or other expenses paid by the importer in accordance with any warranty or guarantee adjustments, the foreign supplier must bear the cost of the repairs under the terms of a warranty or guarantee.

13. An application for remission must be submitted by the importer to the nearest CBSA office within ninety days of the importation of the goods. Satisfactory proof must be presented that the foreign supplier assumed the cost of the repairs. Some examples of such proof are:

- (a) a copy of a warranty;
- (b) a no-charge invoice; or
- (c) correspondence from the foreign supplier, substantiating the repair or replacement under warranty.

14. The customs duties and excise taxes owing on the repaired goods must be calculated on the full value for duty of the goods in the condition in which they are returned to Canada, in accordance with the valuation provisions of the [Customs Act](#).

## Goods and Services Tax / Harmonized Sales Tax

15. This [Remission Order](#) does not provide any remission of the Goods and Services Tax / Harmonized Sales Tax (GST/HST).

16. However, non-commercial goods imported to replace goods that were exported or destroyed under the terms of the [Remission Order](#), may qualify as non-taxable for GST/HST purposes under Schedule VII, section 5, of the [Excise Tax Act](#). This section of the Schedule provides for the non-taxable importation of replacement parts sent or supplied to a person in Canada by a non-resident person, under a warranty agreement as replacement parts for goods previously imported. HST is also relieved under these circumstances.

17. Non-commercial goods imported after having been exported for repair under the terms of this [Remission Order](#), may qualify as non-taxable for GST/HST purposes under paragraph 3(j) of the [Non-taxable Imported Goods \(GST/HST\) Regulations](#) if they were exported for warranty repair work. To qualify under the Regulations, when the goods return to Canada, documentation must be presented verifying the exportation of the goods from Canada, and that the foreign supplier assumed the cost of the repairs.

## Documentation

18. Applications for remission shall be made on either:

- (a) Form [B3-3, Canada Customs Coding Form](#);
- (b) Form B15, *Casual Goods Accounting Document*;
- (c) Form [B2, Canada Customs – Adjustment Request](#); or
- (d) Form [B2G, CBSA Informal Adjustment Request](#).

The number 79-395 must appear in the “Special Authority” field or otherwise specified as the reason for the refund.

19. Where the non-commercial imported goods were originally imported under duty-free provisions of any customs legislation, satisfactory proof of this must be presented when the replacement goods are imported or the goods re-enter Canada having been exported for repair under the terms and conditions of this [Remission Order](#).

20. Remission may not be claimed in respect of customs penalties imposed on imported goods.

## Additional Information

21. For GST/HST information contact:

Manager  
 Goods Unit  
 General Operations and Border Issues Division  
 Excise and GST/HST Rulings Directorate  
 Legislative Policy and Regulatory Affairs Branch  
 Canada Revenue Agency

Facsimile: 613-990-1233

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

<b>References</b>	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	6564-0
<b>Legislative References</b>	<a href="#"><i>Customs Act</i></a> <a href="#"><i>Excise Tax Act</i></a> <a href="#"><i>Customs Tariff</i></a> <a href="#"><i>Non-commercial Importations Remission Order</i></a> <a href="#"><i>Non-taxable Imported Goods (GST/HST) Regulations</i></a>
<b>Other References</b>	<a href="#">D8-2-1</a> , <a href="#">D8-2-26</a> Forms <a href="#">B2</a> , <a href="#">B2G</a> , <a href="#">B3-3</a> , B15, <a href="#">E15</a>
<b>Superseded Memorandum D</b>	D8-2-3 dated July 3, 1998