



Memorandum D8-2-4

Ottawa, September 8, 2015

Canadian Goods Abroad Program – Emergency Repairs

In Brief

This document contains editing revisions that do not affect or change existing policies or procedures, and includes changes to the Canada Border Services Agency organizational structure.

The conditions for obtaining full relief of duties and taxes, including the Goods and Services Tax/Harmonized Sales Tax, under the Canadian Goods Abroad provisions in subsection 101(2) of the [Customs Tariff](#), are explained in this Memorandum. Relief under subsection 101(2) is for emergency repairs to aircraft, vehicles or vessels that are returned to Canada if it was necessary to repair the conveyance outside Canada to ensure its safe return, and the repair was as a result of an unforeseen contingency that occurred outside Canada.

Guidelines and General Information

Definitions

1. The term “duties” used in this memorandum means duties as defined in section 80 of the [Customs Tariff](#), i.e. duties or taxes levied or imposed on imported goods under Part 2, the [Customs Tariff](#), the [Excise Act, 2001](#), the [Excise Tax Act](#), the [Special Import Measures Act](#) or any other Act of Parliament relating to customs, including the Goods and Services Tax/Harmonized Sales Tax (GST/HST).
2. For the purposes of administering the Canadian Goods Abroad Program, the term “repair” is defined as a corrective maintenance activity, which restores an item to its original “as-finished” condition. It includes replacing pieces of the good with new, reconditioned, overhauled or rebuilt components.

Background

3. As per subsections 12(3.1) and 17(1) of the [Customs Act](#), all goods entering Canada, even goods that were previously in Canada, is an importation of those goods, and such goods are subject to duties unless there is a provision in legislation or regulation that relieves or remits the requirement to pay.
4. Most aircraft, vehicles, and vessels return to Canada customs duty free under tariff item Nos. 9813.00.00 or 9814.00.00 (depending on whether the conveyance is a product of Canada or was previously duty and tax paid in Canada). However, to be eligible to claim the benefits of these tariff items, the goods must be returned to Canada without having been advanced in value or improved in condition by any process of manufacture or other means, or combined with any other article abroad. Therefore, where conveyances are repaired while outside Canada, even emergency repairs, they cannot be imported into Canada under either of these tariff items.
5. Subsection 101(2) of the [Customs Tariff](#) provides full duties relief for aircraft, vehicles, or vessels that have undergone emergency repairs while abroad as a result of an unforeseen contingency that occurred outside Canada. Both non-commercial and commercial importers may claim the benefits of this provision.
6. Where the repairs are not emergency repairs performed as a result of an unforeseen contingency, the aircraft, vehicle or vessel may qualify for full or partial relief of the duties under an alternate provision. For additional information on the various provisions available for goods which undergo repairs, other than emergency repairs, outside Canada, please consult Memoranda [D8-2-10, Goods Returning to Canada Having Been Repaired Outside](#)

[of Canada, D8-2-25, Canadian Vessels Repaired or Altered in the United States, Mexico, Chile, Israel or Another CIFTA Beneficiary, Colombia, Costa Rica, Peru, Jordan, Panama, Iceland, Liechtenstein, Switzerland or Norway](#) and [D8-2-26, Goods Returned After Repair or Alteration in the United States, Mexico, Chile, Israel or Another CIFTA Beneficiary, Colombia, Costa Rica, Peru, Jordan or Panama.](#)

Conditions

7. The aircraft, vehicle, or vessel, must have been repaired as a result of an unforeseen contingency that occurred outside Canada. The conveyance cannot be exported outside Canada for repair as a result of an unforeseen contingency occurring in Canada. For example, if a vehicle is involved in an accident in Windsor, it cannot be repaired in Detroit and re-enter Canada under the provisions of this program.
8. In some cases it will be self-evident that the repair was required as a result of an unforeseen contingency, for example replacing a broken fan belt or a cracked windshield. Additional proof that the repairs were required as a result of an unforeseen contingency includes, but is not limited to, police reports, insurance reports and detailed repair invoices.
9. The emergency repairs must also have been necessary to ensure the safe return of the aircraft, vehicle, or vessel to Canada. Examples of types of work that is not required to ensure the safe return of a vehicle, when these activities are the only repair(s) done to the vehicle, include painting, changing the oil, and rotating the tires. However, when these activities form part of a larger repair, for example, rotating the tires and aligning them when replacing a blown tire, these contingency repairs are acceptable. Replacing trim and other minor cosmetic finishes are also acceptable repairs when performed as part of a larger, emergency repair. Tires can be replaced in pairs, regardless of the condition of the second tire.
10. In some cases the emergency repair is required to ensure the safe return of the contents of the aircraft, vehicle, or vessel, not the conveyance itself. For example, if the refrigeration unit on a transport truck carrying produce fails, repairing the refrigeration unit is an acceptable activity under this provision, although the lack of a refrigeration unit in no way renders the vehicle unsafe. If the transport truck were carrying televisions, repairing the refrigeration unit would not be eligible under this program.

Replacement goods

11. If a conveyance is irreparably damaged and replaced, the replacement aircraft, vehicle or vessel is not eligible under the Canadian goods abroad provisions. Full duties are owed on the replacement conveyance at the time of importation. Importers should ensure that any insurance claims include the cost of the duties owed. In addition, there are restrictions on the types of vehicles that can be imported into Canada. Please consult [Memorandum D19-12-1, Importation of Vehicles](#) for more information.

Documentation

12. At the time of importation, both non-commercial and commercial importers, or their agent (for example, a truck driver working for a shipping company), must report all emergency and non-emergency repairs to the inspecting Canada Border Services Agency (CBSA) officer. The officer may stamp the repair invoice as proof of reporting.
13. Non-commercial importers are generally not required to provide accounting documentation for emergency repairs to their conveyances.
14. For commercial carriers, the CBSA has a program that allows authorized highway carriers to present a summary accounting for repairs, including emergency repairs. For more information, please consult [Memorandum D8-4-2, Reporting and Summary Accounting of Vehicle Repairs by Highway Carriers.](#)
15. In all other cases, the conveyance should be accounted for on a Form [B3-3, Canada Customs Coding Form.](#) The value for duty (VFD) appearing in field 37 will be the value of the repair. As this VFD is contrary to the valuation provisions in the [Customs Act](#), special authorization code 98-02-0101 must be entered in field 26. Failure to use this code may subject the importer to an [Administrative Monetary Penalty](#) for failing to value the goods correctly.

16. Special authorization code 98-02-0101 fully remits the duties owing against the VFD for the eligible emergency repair to the aircraft, vehicle, or vessel.

17. Where there is any doubt that the repairs were required as a result of an emergency, the inspecting CBSA officer will require the importer to account for their conveyance as a regular importation. Non-commercial importers will account for their conveyance on a Form B15, Casual Goods Accounting Document, while commercial importers will use a Form [B3-3](#).

18. If a non-commercial importer wishes to request a refund for repairs that were eligible under subsection 101(2) as emergency repairs, they must submit a Form [B2G, CBSA Informal Adjustment Request](#), along with a copy of the Form B15 and all the information necessary to support the claim of emergency repairs. The Form B2G and supporting information is to be sent to a CBSA Casual Refund Centre. The addresses for the centres are found on the reverse of the Form B2G.

19. If a commercial importer wishes to request a refund for repairs that were eligible under subsection 101(2) as emergency repairs, they must submit a Form [B2, Canada Customs - Adjustment Request](#), along with the supporting information to the nearest [CBSA office](#).

20. If the importer fails to claim the benefits of the provision at the time of importation, and the full customs duties payable under the [Customs Tariff](#) are paid at the time of accounting, the importer may claim a refund under the same process as outlined in paragraphs 18 and 19.

Additional information

21. 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**.

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	6565-0
Legislative References	Customs Tariff Customs Act Excise Act, 2001 Excise Tax Act Special Import Measures Act
Other References	D8-2-10 , D8-2-25 , D8-2-26 , D8-4-2 , D19-12-1 Forms B2 , B2G , B3-3
Superseded Memorandum D	D8-2-4 dated June 22, 2009