



Memorandum D5-1-1

Ottawa, May XX 2024

International Mail Processing

In Brief

This memorandum has been updated to:

1. Clarify the postal importation process; and
2. Outline changes to commercial release and accounting procedures resulting from the implementation Canada Border Services Agency (CBSA) Assessment and Revenue Management (CARM).
3. The CBSA has developed transition measures to ensure continued border fluidity and timely submission of accounting and payment of duties after CARM implementation on May 13, 2024. For more information on these transition measures, please see [Customs Notice 24-15: Preparing for CARM Release 2 Implementation, Transition Measures](#).

Legislation

[Accounting for Imported Goods and Payment of Duties Regulations](#)

[Canada Post Corporation Act](#)

[Customs Act Section 12, Section 32, Section 99, Section 101, Section 110, Section 147](#)

[Customs Tariff](#)

[Excise Act](#)

[Excise Tax Act](#)

[Fees in Respect of Mail Regulations](#)

[Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act Section 12, Section 17](#)

[Special Import Measures Act](#)

[Undeliverable and Redirected Mail Regulations](#)

Guidelines and General Information

This memorandum outlines and explains the legislation authorizing the examination of international mail and the obligations of the importing public to pay the duties and taxes owing. It also provides an overview of the processing and handling of both commercial and non-commercial importations. All monetary references quoted are in Canadian dollars.

Definitions

For the purpose of this memorandum, the following definitions and terms are provided:

CBSA Casual Refund Centre (CRC)

Describes the Canada Border Services Agency (CBSA) office where Form B2G, CBSA Informal Adjustment Request, is processed. CRCs have the authority to refund any duties, goods and services tax (GST), harmonized sales tax (HST), and provincial taxes, which are assessed on non-commercial importations. CRCs are listed on the back of Form B2G.

CBSA Mail Centre (CMC)

Describes the CBSA international mail processing operation, where the primary verification, secondary processing, and assessment of any applicable duties and/or taxes take place. CMCs are located within the Canada Post Corporation (CPC) facilities in Montréal, Toronto, and Vancouver in order to centralize the importation of mail into Canada and to expedite the clearance and delivery of mail.

Commercial importations

Goods that are or will be imported into Canada for sale or for any commercial, industrial, occupational, institutional, or other similar use.

Commercial Accounting Declaration (CAD)

Digital document used to account for goods imported into Canada. The CAD replaces the current customs coding (B3-3) and request for adjustment (B2) forms.

Form B2G, CBSA Informal Adjustment Request

Document used to request an adjustment or refund on duty-paid for non-commercial goods that have been imported by mail, courier, or on individual traveler's declarations. Form B2G is available at all CBSA offices or on the [website](#). For goods imported by mail, Form B2G is also located on the back of the importer's copy of Form E14.

Form E14, CBSA Postal Import Form

Document used to assess duties and/or taxes and keep track of importations arriving through the mail.

Mail

As set out in section 2 of the [Canada Post Corporation Act](#), means mailable matter, from the time it is posted to the time it is delivered to the addressee thereof.

Non-commercial importations

Goods for individual use, not intended for resale, commercial, industrial, occupational, institutional, or other similar use.

Publications

Includes books, newspapers, periodicals, magazines, and any similar printed publication including audio recording that relate to a publication that may accompany it.

Release

The authorization to remove goods from a customs office, sufferance warehouse, bonded warehouse or duty free shop for use in Canada, or in the case of international mail, occurs at the time the CPC is permitted by border services officers to effect delivery of it.

Undeliverable mail

Mail as per the [Undeliverable and Redirected Mail Regulations](#) that for any cause cannot be delivered to the addressee and includes any mail the delivery of which is prohibited by law or is refused by the addressee or on which postage due is not paid by the sender on demand.

General Information

1. The following information is of a general nature only and is not a substitute for relevant legislation and regulations. The [Customs Act](#), the [Canada Post Corporation Act](#), and other acts and regulations relating to the international movement of mail should be consulted when interpreting and applying the law.
2. The postal system is designed to expedite processing and delivery of imported mail items to recipients by allowing the CPC to deliver as well as collect duties and/or taxes owing to the government. The CPC charges the recipient a handling fee for this service; however, there is no CPC fee for mail items that are duty-free and tax-exempt or for commercial items with a value exceeding CAD \$3,300.
3. For more information on the CPC's role in processing international mail, visit the CPC's [website](#). You can also find out more about non-mailable goods or goods you cannot send through the mail.
4. The CBSA examines international mail to verify the country of origin, quantity, value, type, and admissibility of the goods in relation to the [Customs Act](#), the [Customs Tariff](#), the [Special Import Measures Act](#), the [Excise Act](#), the [Excise Act 2001](#), the [Excise Tax Act](#), the [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act](#) and other acts administered by the CBSA on behalf of other government departments.
5. The [Customs Act](#) authorizes the CBSA to detain imported goods that may be prohibited, controlled, or regulated under any Act of Parliament. The [Memoranda D19](#) series, Acts and Regulations of Other Government Departments, outline the CBSA's responsibilities in this regard.

Postal Imports Remission Order and Gift Exemptions

6. The [Postal Imports Remission Order](#) (PIRO) grants remission of all duties and/or taxes paid or payable on certain goods imported by mail when the value for duty does not exceed CAD \$20. Refer to [Memorandum D8-2-2, Postal Imports Remission Order](#), for more details on the conditions for granting remission.
7. Gift Exemptions - Tariff Item no. 9816.00.00 (CAD \$60). Individuals may receive certain gift importations not exceeding CAD \$60 duty-free and tax-exempt. For gifts valued at more than CAD \$60, the portion of a gift's value exceeding CAD \$60 is subject to duties and/or taxes at the appropriate rate. For more details on eligibility and policies regarding gift exemptions, refer to [Memorandum D2-1-4, Casual Donations – Tariff Item No. 9816.00.00](#).

8. The CAD \$20 PIRO benefit cannot be combined with the gift exemption of CAD \$60.

Arrival of Inbound International Mail

9. The foreign postal administration arranges for the transportation of mail items from the country of origin to Canada. In accordance with the provisions of the Universal Postal Union (UPU), mail transferred from a foreign postal administration is documented on a delivery bill CN 37 (Surface mail), CN 38 (Airmail) or CN 41 (Surface airlifted mail). The onus is on the sender of the mail item to declare the origin, contents and value of the item on a CN 22 or a CN 23 - Customs Declaration. See Appendix A for required information.
10. Upon arrival in Canada, the mail remains under the control of the foreign postal administration until it is "exchanged" with the CPC at one of the International Mail Facilities located in Vancouver, Toronto, and Montréal. Mail is then sorted for movement within Canada and presented to the CBSA for admissibility determination and duty and/or tax assessment.
11. A distinction is made between non-commercial and commercial importations. Commercial importers are required to keep books and records of all importation transactions. Non-commercial or casual importers may wish to keep a copy of Form E14, *CBSA Postal Import Form*.

Processing International Mail

Primary Inspection

12. The CPC is responsible for presenting international mail to the CBSA. During primary inspection, the border services officer screens the mail items to determine which are duty-free and/or tax-exempt importations, and ensures the goods that require no further CBSA control are released to the CPC for immediate delivery.
13. All mail items containing goods that may be prohibited, controlled or regulated, subject to duties and/or taxes, or goods requiring examination by another government department or agency are separated and forwarded to the secondary area for further review.

Canada Post Data Entry

14. The CPC ensures each mail item that is directed to the CBSA secondary processing area has a unique bar-coded inventory number and exporter/importer data is captured in CBSA's postal systems.

Secondary Processing

15. In the secondary area, the border services officer verifies mail items to determine whether they are subject to duties and/or taxes, controls, such as permits or certificates, enforcement measures, or if they require examination by another government department.

Opening Mail

16. Border services officers have the authority to examine mail under section 99 of the [Customs Act](#). This authority may be exercised if an officer has reasonable grounds to suspect that a mail item contains

any goods referred to in the [Customs Tariff](#), or any goods the importation of which is prohibited, controlled or regulated under any other Act of Parliament.

17. Under subsection 17(1) of the [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act](#), a border services officer may examine any mail that is being imported or exported and open or cause to be opened any such mail that the officer suspects on reasonable grounds contains currency or monetary instruments of a value equal to or greater than the amount prescribed. Refer to [Memorandum D19-14-1, Cross-Border Currency and Monetary Instruments Reporting](#), for more information.
18. It is the sender's responsibility to accurately report the value of the goods and clearly describe the contents of any mail item. See Appendix A for the prescribed elements required for reporting.
19. Border services officers may open a mail item and review invoices to ensure the most accurate assessment is made. Mail items that are opened and subsequently assessed duties and/or taxes or released for delivery are normally closed with tape, Form E608, *Opened by CBSA*.
20. Form E605, *Your Package Has Been Examined*, should be included in mail items that are opened because there was not enough information on the declaration. E605 is used to advise importers of CBSA requirements to ensure future shipments are properly declared.

Duties, Taxes, and Handling Fees

21. In the case of non-commercial goods, border services officers determine tariff classification, value for duty, and origin based on information indicated on the customs declaration, invoices attached to the item, or an examination to appraise the value of the goods. Border services officers enter this information into the postal accounting system, and the system automatically calculates the amount of duties and/or taxes owing on the goods.
22. Duty rates may apply on imported goods based on trade agreements. While agreements may in certain cases exempt the duty, unless specifically exempted, the goods and services tax (GST) is applied.
23. In the provinces of Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador, the federal-based GST and the provincial sales tax (PST) have been combined to create the harmonized sales tax (HST). The HST is applied to non-commercial goods which are destined to these provinces. Imported commercial goods destined to these provinces are only subject to the 5% federal portion of the HST.
24. For non-commercial goods, in the provinces of British Columbia, Manitoba, Quebec or Saskatchewan, you must pay the applicable rate of sales tax for the province in which the goods are delivered. Certain imported goods may not be subject to the PST in your specific province. For further information on PST collection, see [Memorandum D2-3-6, Non-Commercial Provincial Tax Collection Programs](#).
25. For tobacco products, provincial tobacco taxes are also collected in New Brunswick, Quebec, Manitoba, Alberta and British Columbia. The tobacco tax rate is set by the provincial legislature. See [Memorandum D2-3-6, Non-Commercial Provincial Tax Collection Programs](#) for more information.
26. Details of the assessment of duties, taxes, and handling fees are affixed to the mail item on Form E14, CBSA Postal Import Form. The CPC is responsible for delivering mail items and for collecting duties and/or taxes on behalf of the CBSA.
27. To process goods imported as mail that are subject to duty and/or tax, the CPC charges the recipient a CAD \$9.95 handling fee. This fee is applied to each dutiable or taxable item, which is collected from

the recipient in advance, upon delivery, or pick up of a mail item. If the mail item is duty-free and tax exempt, no amount is charged.

Multiple, Lot, or Split Shipments

28. When a shipment contains more than one mail item to make up a complete order, CBSA tries to assess duties and/or taxes on one invoice (Form E14). However, if the items are not presented to the CBSA at the same time or do not arrive together, there may be more than one form issued. If this is the case, the importer may wish to pay for each item and then submit a refund request for the duplicate payment.

Refusal of Mail

29. An importer may refuse a mail item by checking the "Return to Sender" box on Form E14, CBSA Postal Import Form. The CPC will then return it to the sender.

Release of and Accounting for Commercial Goods

Commercial goods not exceeding CAD \$3,300

30. Border services officers assess duties and taxes owing on commercial goods not exceeding CAD \$3,300 in the same manner as non-commercial goods (see paragraph 21). If the goods are subject to duties and/or taxes, the CBSA will affix Form E14, CBSA Postal Import Form to the mail item, indicating the amount owing.

Commercial goods greater than CAD \$3,300

31. In the case of commercial goods with a value for duty exceeding CAD \$3,300 and imported through the mail stream, the importer can obtain release of the goods by presenting the appropriate release and accounting documentation

32. The CBSA will advise the importer by letter when a commercial shipment arrives at the CBSA Mail Centre (CMC). Two (2) options are available to obtain release of, and account for, the goods:

- a. if the importer has posted financial security as part of the Release Prior to Payment (RPP) Program:
 - i. submit a release request electronically using the Pre-arrival Review System (PARS) or Integrated Import Declaration (IID) service options; and
 - ii. submit a Commercial Accounting Declaration (CAD) Type AB in the [CBSA Assessment and Revenue Management \(CARM\) Client Portal](#) within five (5) business days; or
- b. Where the importer has not posted security:
 - i. submit a CAD Type C in the [CARM Client Portal](#) and pay applicable duties and taxes at the same time at a [Designated Commercial Office](#) (DCO). Access to the CARM Client Portal is available at some ports and allows importers or their delegated customs brokers to generate or submit a CAD. A list of offices that provide CCP access can be found in Appendix A to [Memorandum D17-1-5, Accounting for Commercial Goods](#).

Note: The Mode of Transport field on the CAD must be populated with “Postal”.

33. Once the CBSA has validated and approved the release documentation, the DCO will advise the CMC to release the mail shipment to the CPC for delivery.
34. For more information about the release of goods with a value for duty exceeding CAD \$3,300, see [Memorandum D17-1-4, Release of Commercial Goods](#).
35. For more information about CARM requirements, see the CBSA’s [CARM website](#).

Disputing Duties and Taxes

Requesting a Reassessment (Before payment of duties and taxes)

36. Non-commercial importers who disagree with the assessment of duties and/or taxes can refuse delivery of the mail item(s) and request a reassessment before payment of duties and taxes by checking the "Return to CBSA" box of Form E14, Postal Import Form.
37. Canada Post will return the mail item to the CMC located closest to the addressee. The CBSA may contact the addressee to discuss the request for reassessment. If the CBSA decides no duty or taxes are owed, Canada Post will deliver your parcel. If duties and taxes are owed, they must be paid when Canada Post delivers your parcel.

Requesting an Adjustment (After payment of duties and taxes)

38. For non-commercial goods, a request for adjustment or refund can be made after payment of duties and/or taxes using [Form B2G, CBSA Informal Adjustment Request](#), located on the reverse side of the importer's copy of Form E14, Postal Import Form. The importer should submit Form B2G and any supporting documents—such as invoices that show the correct value of the products or other material that describes them—to the nearest [Casual Refund Centre](#) listed on the form. For more details on non-commercial refunds and Form B2G, refer to [Memorandum D6-2-6, Refund of Duties and Taxes on Non-Commercial Importations](#).
39. To request an adjustment of duties and taxes on commercial shipments accounted for on Form E14, Postal Import Form, see [Memorandum D17-2-1, Adjusting Commercial Accounting Declarations](#).
40. For commercial goods accounted for on a CAD, an adjustment request may be submitted using the Electronic Data Interchange (EDI) or Web service (API). For more information on how to submit an adjustment refer to [Memorandum D17-2-1, Adjusting Commercial Accounting Declarations](#).
41. The CAD \$9.95 handling fee charged by the CPC on postal shipments may be refunded when it is determined that the goods should have been duty-free and tax-exempt at the time of importation. The CBSA does not refund any part of any fees for Express mail items.

Voluntary Accounting

42. Voluntary accounting is accepted when an importer reports to the CBSA that dutiable goods have been released in Canada without a Form E14 and payment of duties and/or taxes. The importer should prepare a Voluntary CAD (Type V) for commercial goods, or Form BSF715, *Casual Goods Accounting Document*, for non-commercial goods, and duties and taxes owing will be collected. The documents will bear the notation "Voluntary Accounting" in the field reserved for the cargo control

document number. Refer to [Memorandum D17-1-3, Casual Importations](#), for Form BSF715 instructions, and [Memorandum D17-1-10, Coding of Customs Accounting Documents](#), for instructions on how to submit a CAD.

Appeals/Reviews

43. For non-commercial importations, if you are not satisfied with the reassessment or adjustment, you should refer to the instructions for filing contained in the letter of denial and in [Memorandum D6-2-6, Refund of Duties and Taxes on Non-Commercial Importations](#).
44. In the case of a commercial shipment, you should submit a dispute as per the instructions outlined in [Memorandum D11-6-7, Request under Section 60 of the Customs Act for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency](#).
45. Both commercial and non-commercial importation dispute notices must be filed in accordance with the form and manner requirements prescribed under subsection 60(3) of the [Customs Act](#).

Firearms

46. Non-restricted firearms, restricted firearms, and prohibited handguns may be imported by mail if the importer has the appropriate licence and permit(s). Shipping prohibited handguns by mail is permitted only if the destination is within Canada and if the firearm is sent by the most secure means offered by the CPC which includes the requirement for a signature upon delivery. Refer to [Memorandum D19-13-2, Importing and Exporting Firearms, Weapons and Devices](#), for more information.
47. Commercial importers of firearms must have a valid Business Firearms Licence that authorizes the possession of the class of firearm being imported and a copy of that licence should be included with all commercial importations of firearms.
48. All military weapons require an import/export permit, which can be obtained from Global Affairs Canada. Visit their [website](#) for additional information.
49. For more information on firearms, please contact the Canadian Firearms Program by phone at 1-800-731-4000 or visit their [website](#).

Additional Information

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.

Appendix A

Prescription of Information Pertaining to the Reporting of Goods Imported as Mail

Pursuant to subsection 12(6) of the [Customs Act](#) (the Act), and in accordance with the authority vested in me by the delegation instrument signed by the Minister of National Revenue on November 10, 1998, pursuant to subsection 2(4) of the Act, I hereby prescribe the following information to be provided for the purposes of reporting goods imported as mail:

(i) For "casual" goods as defined in section 2 of the Accounting for Imported Goods and Payment of Duties Regulations:

- (a) Name and complete address of sender;
- (b) Name and complete address, including postal code, of addressee;
- (c) Description;
- (d) Value;
- (e) Quantity;
- (f) Weight;
- (g) Signature of sender; and
- (h) Date shipped.

(ii) For "commercial" goods as defined in section 2 of the Accounting for Imported Goods and Payment of Duties Regulations:

- (a) Name (including business company name where the exporter is a commercial entity) and complete address of sender;
- (b) Name (including business company name where the importer is a commercial entity) and complete address, including postal code, of addressee;
- (c) Description;
- (d) Value;
- (e) Quantity;
- (f) Weight;
- (g) Signature of sender; and
- (h) Date shipped.

This information is to be provided in English or French on a customs declaration form/dispatch note approved by the postal administration in the country of export in accordance with accepted Universal Postal Union (UPU) standards and affixed to the mail item. In the case of exporter and importer name and address, this information must be clearly provided as part of the labelling of the parcel, if it does not form part of the customs declaration/dispatch note. The name and address information of the sender and the addressee must be provided in Roman letters and Arabic numerals.

References

Issuing Office	Postal and Courier Programs Unit, Program and Policy Management Division, Commercial Program Directorate, Commercial and Trade Branch
Headquarters File	
Legislative References	<i>Customs Act, sections 12, 32, 99, 101, 102, and 147; Canada Post Corporation Act; Customs Tariff; Special Import Measures Act; Excise Act; Proceeds of Crime (Money Laundering) and Terrorist Financing Act; Accounting for Imported Goods and Payment of Duties Regulations; Fees in Respect of Mail Regulations; Undeliverable and Redirected Mail Regulations</i>
Other References	D2-1-4 , D2-6-6 , D6-2-6 , D8-2-2 , D11-6-7 , D16-1-1 , D17-1-3 , D17-1-10 , D17-2-1 , and D19 series
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