



# ARRIVAL AND REPORTING OF IMPORTED COMMERCIAL GOODS

## LEARNING OUTCOMES

After reading this chapter, you should be able to:

- Understand the purpose of a bill of lading.
- Complete a Canada Customs Invoice.
- Recognize the purpose of a commercial invoice.
- Describe the steps involved when commercial goods are imported.
- Realize the importance of Advance Commercial Information.
- Understand the arrival and reporting of imported goods.

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## INTRODUCTION

Before goods arrive in Canada, certain documents should be prepared. These documents, often in the form of data, can include a bill of lading, covering transportation, and a commercial or Canada Customs Invoice covering the goods. Other documentation may be required, such as permits for goods regulated by other government departments. These are discussed in Chapter 6.

## BILLS OF LADING

### bill of lading

A contract between the shipper and the carrier that includes the name of the shipper, the consignee, the name of the party that is to be notified when the goods arrive, and the mode of transportation; it also includes a description of the goods, their weight, terms of payment for shipping, and references to other bills of lading used to carry the same goods.

A **bill of lading** is a transportation contract between the shipper and the carrier. It contains the name of the shipper, the consignee, the name of the party to be notified when the goods arrive, and the mode of transportation. It also includes a description of the goods and terms of payment for shipping. A sample bill of lading (Figure 2.2) is provided at the end of this chapter.

Bills of lading may be either straight or negotiable. A straight bill of lading is non-negotiable and is used for goods that are for a specific person or company; a negotiable bill of lading is for goods that have not yet been sold. Goods listed on a negotiable bill of lading may be bought, sold, or traded while in transit.

A term often used to describe a bill of lading is “clean.” This means that the goods were in good order and condition when loaded. Unless there are notes to the contrary, a bill of lading is assumed to be clean.

There are bills of lading for every mode of transportation. Depending on the mode, various information is listed on the bill of lading. For example:

- carrier name;
- date that the goods are loaded onto the conveyance;
- cost of shipping;
- where the goods are destined and where they will be discharged; and
- details about the goods, including their value, markings, size, and origin.



### DID YOU KNOW?

The Ambassador Bridge is the busiest Canada–US truck crossing and handles around 8,000 trucks and 68,000 travellers daily.

### Canada Customs Invoice (CCI)

The form that is completed with information about goods that are being shipped to Canada.

## CANADA CUSTOMS INVOICE

The CBSA requires information for all commercial goods entering Canada. The form generally used to provide this information is the **Canada Customs**

**Invoice (CCI).** The description of each field is pre-printed in each field of the CCI, making it easy to complete. A standard CCI is reproduced at the end of this chapter (Figure 2.3); however, many importers and customs brokers develop their own CCI.

The CCI may be completed by the supplier or importer, or by the customs broker on behalf of a client. Below is a description of each field on the CCI.

### **FIELD 1: VENDOR**

This field indicates the name and address of the vendor or seller.

### **FIELD 2: DATE OF DIRECT SHIPMENT TO CANADA**

This field shows the date on which the goods began their continuous journey to Canada. Whether the journey is continuous or not is a factor when determining the country of origin of the goods. This date is used to determine the currency exchange rate. The exchange rate on the date of direct shipment to Canada is the rate used to convert the value of goods to Canadian dollars when they are in a foreign currency.

### **FIELD 3: OTHER REFERENCES**

This field provides other information that may be useful, such as a commercial invoice number or purchase order number.

### **FIELD 4: CONSIGNEE**

This field indicates the name and address of the person or company to whom or where the goods are being delivered. This can be, but is not necessarily, the party that is responsible for the payment of any applicable duties and taxes.

### **FIELD 5: PURCHASER'S NAME AND ADDRESS**

This field indicates the person or company to whom the goods are sold, if it is other than the consignee in Field 4. The purchaser is responsible for the payment of any duties and taxes.

### **FIELD 6: COUNTRY OF TRANSHIPMENT**

This field indicates the country through which the goods are shipped on their way to Canada while remaining under CBSA's control.

### **FIELD 7: COUNTRY OF ORIGIN OF GOODS**

This field indicates the country where the goods are grown, produced, or manufactured.

**FIELD 8: TRANSPORTATION**

This field shows the mode of transportation—for example, rail, highway, or air—and the place from which the goods began their uninterrupted journey to Canada.

**FIELD 9: CONDITIONS OF SALE AND TERMS OF PAYMENT**

This field shows the terms and conditions that were agreed upon by the vendor and the purchaser. It might say “COD” or “10 percent net 30.” COD means cash on delivery; 10 percent net 30 means that if the purchaser pays for the goods in 30 days, they are entitled to a 10 percent discount.

**FIELD 10: CURRENCY OF SETTLEMENT**

This is the currency that the vendor has requested for payment. For example, vendors in the United States (US) usually indicate US funds and Field 10 might then show “US” (or “U.S.” or “U.S. Dollars”).

**FIELD 11: NUMBER OF PACKAGES**

This field indicates the number of packages. Only numbers are shown in this field.

**FIELD 12: SPECIFICATION OF COMMODITIES**

This field shows the type of package—for example, skids or boxes—and a detailed description of the goods being shipped. All goods that are shipped must be shown on the invoice, even those that are provided at no charge.

**FIELD 13: QUANTITY**

This field shows the number of each item that was described in Field 12.

**FIELD 14: UNIT PRICE**

This field shows the price for each unit of the item described in Field 12.

**FIELD 15: TOTAL**

This field shows the total price paid or payable of the items described in Field 12.

**FIELD 16: TOTAL WEIGHT**

This field shows both the **net weight** and the **gross weight** for the goods listed on the invoice.

**net weight**

The weight of the goods excluding packaging materials.

**gross weight**

The weight of the goods including any packaging materials.

## FIELD 17: INVOICE TOTAL

This field shows the total price paid or payable for goods described on the invoice and continuation sheet, if used. A continuation sheet is used when the CCI consists of more than one page.

## FIELD 18

If information for Fields 1 to 17 is included on an attached commercial invoice, the box in this field must be checked.

## FIELD 19: EXPORTER'S NAME AND ADDRESS

This field shows the name and address of the person or organization shipping the goods to the consignee/purchaser, if other than the vendor shown in Field 1.

## FIELD 20: ORIGINATOR

When the invoice is completed by one company on behalf of another, the company completing the invoice is indicated in this field.

## FIELD 21: AGENCY RULING

If CBSA has made a ruling regarding the goods being imported, the number and date of the ruling must be shown. For example, CBSA may have made a decision regarding the tariff classification of the goods, or the way in which the value of the imported goods is determined.

## FIELD 22

If any of Fields 23 to 25 are *not* applicable, the box in this field must be checked.

## FIELD 23

This field is completed if any of the following items are *included* in the invoice total shown in Field 17:

- i. Transportation charges, expenses, and insurance *from the place of direct shipment to Canada*;
- ii. Costs for construction, erection, and assembly *incurred after importation into Canada*; or
- iii. Export packing.<sup>1</sup>

Amounts shown in Fields 23(i) and 23(ii) can be deducted from the figure shown in Field 17 because these charges are not subject to duty.

<sup>1</sup> "Canada Customs Invoice" (last modified 10 October 2008), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/ci1.pdf>> (emphasis added).

However, export packing shown in Field 23(iii) is dutiable, and if it is included in Field 17, it may not be deducted.

## FIELD 24

This field is completed if any of the following are *not included* in the invoice total shown in Field 17:

- i. Transportation charges, expenses, and insurance *to the place of direct shipment to Canada* [note the difference between these transportation costs and those in Field 23—one is *from* the place of direct shipment to Canada and the other is *to* the place of direct shipment to Canada];
- ii. Amounts for commissions other than buying commissions; or
- iii. Export packing.<sup>2</sup>

Amounts shown in Fields 24(i), (ii), and (iii) must be added to Field 17. These charges are dutiable and must be included in the valuation of the goods for customs purposes.

## FIELD 25

This field indicates whether royalty payments or subsequent proceeds are paid or payable by the purchaser, or whether the purchaser has supplied goods or services for use in the production of these goods. In some cases, these payments may be dutiable.



### YOU DECIDE

ABC International is importing commercial goods from a company in China. The invoice total of the transaction is \$45,912.35. Included in the invoice total are transportation charges from the place of direct shipment to Canada of \$2,697.19 and export packing costs of \$750.00.

### QUESTIONS

1. Can the transportation charges of \$2,697.19 be deducted from the invoice total of \$45,912.35?
2. Can the export packing costs of \$750.00 be deducted from the invoice total of \$45,912.35?

<sup>2</sup> *Ibid.*

## THINGS TO WATCH FOR ON THE CCI

Certain information shown—or not shown—on the CCI or commercial invoice may indicate something out of the ordinary. For example:

1. If the total on the invoice in either Field 15 or Field 17 is shown as no charge, this may indicate that Canadian goods are being returned or that a warranty repair has taken place.
2. If the country of origin, Field 7, is shown as Canada, there is a possibility that Canadian goods are being returned.
3. If the number of packages, Field 11, shows something other than what is on the Cargo Control Document (discussed below), there is a possibility of a shortage or an overage and that these goods are part of another shipment.
4. If the description of the goods shown in Field 12 contains more information than just a description of the goods—for example, “goods are entering Canada temporarily,” or “goods are returning after having been repaired in the US”—it is possible that a sale has not taken place. In this case, the value may not be the true value of the goods and more information will have to be provided by the importer.
5. Specification of commodities, Field 12, and quantity, Field 13, must agree with the actual contents of the shipment. The goods declared should match the goods shipped. If there are more goods declared than shipped, the importer may pay too much duty and tax.
6. The unit price, Field 14, must be the same as the price actually paid or payable, excluding discounts.

If a commercial or sales invoice is available as well as a CCI, the CCI should be compared to ensure that the information is identical. Remember, foreign suppliers are more familiar with their own sales or commercial invoice and are less likely to make mistakes on a commercial invoice.

For more information on the CCI, see D1-4-1, CBSA Invoice Requirements.<sup>3</sup>

## COMMERCIAL INVOICE

A **commercial invoice** may be used instead of a CCI if all information required on the CCI is on the commercial invoice.

A commercial invoice can be prepared by any means—typed, written by hand, faxed, or prepared electronically—and must show the buyer and the seller of the goods, the price paid or payable, and a good description of the goods, including quantity.

### **commercial invoice**

A document provided by the vendor to the customer that details the type of goods being shipped or sold; the value is usually included.

<sup>3</sup> (Memorandum) (1 March 2013), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/dm-md/d1/d1-4-1-eng.pdf>>.

Either a CCI or a commercial invoice must be available before requesting the release of goods.

## STEPS IN IMPORTATION

There are five steps involved in the proper importation of commercial goods, some of which may be done at the same time. These are:

1. submission of Advance Commercial Information data;
2. carrier arrival and reporting;
3. release of goods (may be called “interim accounting”);
4. accounting (all shipment details, including the amount of duty and taxes payable, is provided to CBSA); and
5. payment of duties and taxes.

## ADVANCE COMMERCIAL INFORMATION

On April 19, 2004, marine carriers became the first participants in a new CBSA program called **Advance Commercial Information (ACI)**. ACI for all modes of transportation involves the transmission of information to CBSA before the goods arrive. In the case of marine shipments, this information must be sent before the goods are even loaded onto the vessel in the country of export.

The ACI project was developed to improve risk management by providing CBSA with electronic cargo and conveyance data within specific time frames. Under ACI, cargo and conveyance data *must* be sent to CBSA electronically. Penalties may be issued if these data are not sent, if they are not sent in the proper time frame, or if incorrect data are sent.

## MARINE ACI

The process begins with the ocean carrier or its agent transmitting cargo data to CBSA. The cargo data must be transmitted according to specific time frames, and in all cases *before the cargo is loaded onto the ship*. Reporting time frames for ocean cargo shipped from the US differ from those for ocean cargo shipped from other countries.

Cargo data include, among other things, the carrier name and carrier code, the ports of call, and a good description of the goods, any special instructions, and any other data required for other government departments (see Chapter 6).

The report must include any **Freight Remaining on Board (FROB)** and in-transit cargo. FROB are goods that will remain on the vessel while other goods are discharged. **In-transit goods** are those that are travelling through Canada under customs control for delivery in another country.

### Advance Commercial Information (ACI)

Cargo and conveyance data sent to CBSA prior to the arrival of goods; information provided prior to the goods' arrival allows CBSA to risk assess goods that are destined for Canada.

### Freight Remaining on Board (FROB)

Cargo that remains on a vessel while other goods are discharged.

### in-transit goods

Goods that remain on a conveyance while the conveyance travels through one country to get to another; these goods are not entered into the commerce of the intermediary country.



In some cases, marine supplementary cargo data must be reported. Marine supplementary cargo data are data elements required to complete the cargo report. Supplementary data include detailed cargo information that was not available on the original cargo report and might include the ultimate consignee, a precise description of the goods, and shipper information. The time frames (see Table 2.1) for reporting supplementary cargo data are the same as for primary cargo reporting. Supplementary cargo data may be provided by the freight forwarder or the marine carrier.

**bulk cargo**

Large quantities of cargo that is unpackaged; can be in liquid form or in a mass, such as oil or grain.

**breakbulk cargo**

Cargo that must be loaded individually and is not containerized; it includes goods transported in barrels, crates, or boxes.

**TABLE 2.1** Time Frames for Reporting Marine Cargo Data

TIME FRAMES FOR REPORTING MARINE CARGO DATA FOR GOODS LOADED IN A COUNTRY OTHER THAN THE US											
<ul style="list-style-type: none"> <li>For containerized cargo, the cargo data must be transmitted electronically to CBSA at least 24 hours before goods are loaded on board the vessel.</li> </ul>											
<ul style="list-style-type: none"> <li>For <b>bulk cargo</b>, the cargo data must be transmitted electronically to CBSA at least 24 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>											
<ul style="list-style-type: none"> <li>For <b>breakbulk cargo</b>, the cargo data must be transmitted electronically to CBSA at least 24 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>											
<ul style="list-style-type: none"> <li>For empty marine containers, cargo data must be transmitted electronically to CBSA at least 96 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>											
<ul style="list-style-type: none"> <li>The cargo data must be transmitted before the vessel's departure from a foreign port if the length of the voyage to Canada is less than the required reporting time frame as specified above.</li> </ul>											
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<ul style="list-style-type: none"> <li>Cargo data must be transmitted electronically to CBSA at least 24 hours before the arrival of the vessel at the first Canadian port of arrival, regardless of type of cargo.</li> </ul>											
<ul style="list-style-type: none"> <li>Data for empty marine containers must be transmitted electronically to CBSA at least 4 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>											
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When all cargo data are received, and after CBSA has conducted its risk assessment, the carrier *may* receive one of the following messages:

1. No Load Message—“Wait for instructions from foreign agency.”
2. No Load Message—“Additional detail required.”

If *neither* of these messages is received within a specific time frame, loading can proceed.

Conveyance data must also be transmitted to CBSA. Conveyance data include details that identify the vessel and its scheduled route. The freight forwarder or other party can send these data, which include the cargo control number, the carrier name and address, the date and time of arrival, the voyage number, the manifest summary report, the port of entry, the nationality of the conveyance, and driver and crew identification. These data must also be sent according to specific time frames (see Table 2.2).

Changes to conveyance data must be made electronically as soon as they are known and may be made at any time before the arrival of the vessel in Canada. Updates to the estimated date and time of arrival in Canada should be transmitted to CBSA as required.

The conveyance data must be transmitted before the vessel’s departure from a foreign port if the length of the voyage to Canada is less than the required reporting time frame. Time frames are also specified for the transmission of data concerning empty containers in international shuttle service.

## LESS THAN CONTAINER LOAD/FULL CONTAINER LOAD

### less than a container load (LCL) shipments

Goods that do not require the full capacity of a conveyance; LCL goods are destined for multiple importers from multiple vendors.

### full container load (FCL) shipments

Cargo destined for a single importer from a single vendor.

**Less than a container load (LCL) shipments** are those that make up less than a container load and **full container load (FCL) shipments** comprise a full container load. An LCL shipment is one that contains goods destined for multiple importers from multiple vendors. An FCL shipment is one that contains cargo destined for a single importer from a single vendor.

See Figure 2.1 for a geographical breakdown of marine container traffic.

## REPORTING AND ARRIVAL OF MARINE CONVEYANCES

The arrival of marine cargo is done by submission of either a Conveyance Arrival Certification Message (CACM) or Warehouse Arrival Certification Message (WACM). These are both electronic messages and are sent by the conveyance or warehouse operator. Once an arrival notice is submitted, it is matched with ACI data and, if submitted, a release request. At that point, CBSA may release the goods.

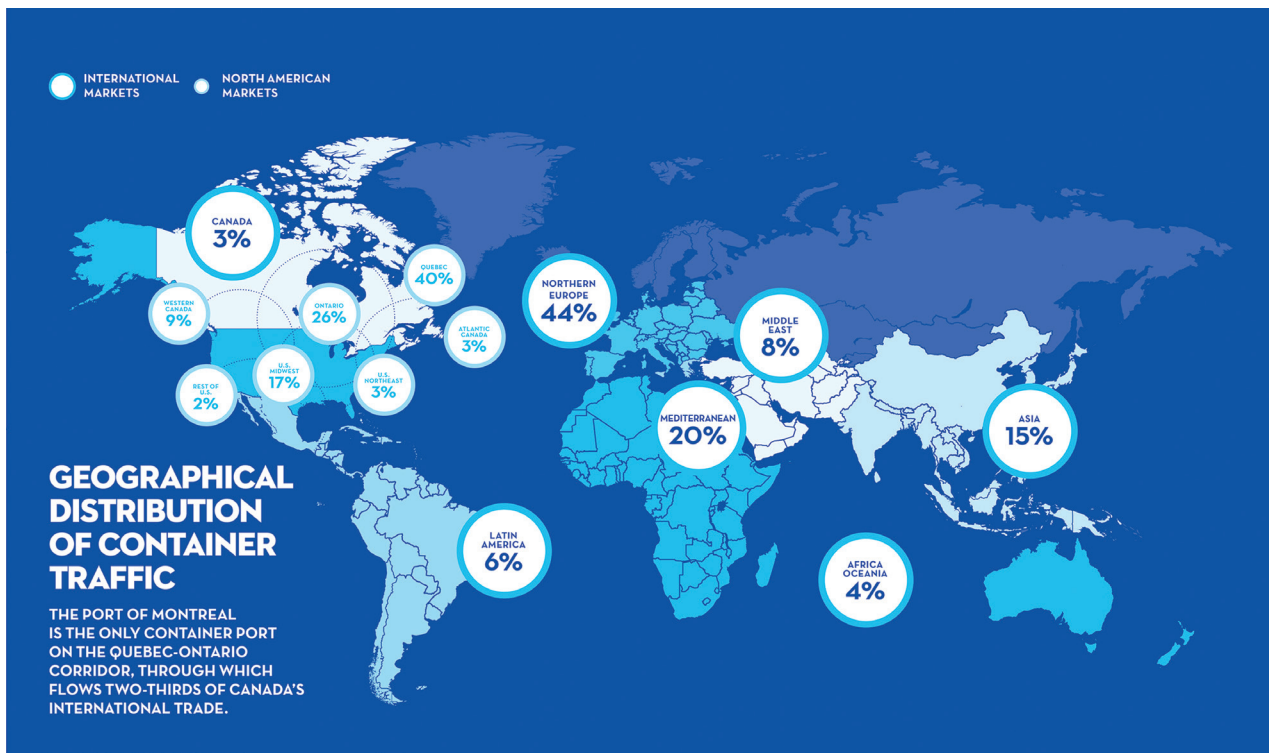
Submission of ACI data within prescribed pre-arrival time frames, combined with the arrival of the conveyance in Canada, satisfies the requirement for “Report of Goods,” required under section 12(1) of the *Customs Act*.<sup>4</sup>

<sup>4</sup> RSC 1985, c 1 (2nd Supp).

**TABLE 2.2** Time Frames for Reporting Marine Conveyance Data

<b>TIME FRAMES FOR REPORTING MARINE CONVEYANCE DATA FOR GOODS LOADED IN A COUNTRY OTHER THAN THE US</b>													
<ul style="list-style-type: none"> <li>• If all the goods on board the vessel are within cargo containers, the conveyance data must be transmitted electronically to CBSA at least 96 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>													
<ul style="list-style-type: none"> <li>• If all the goods on board the vessel are bulk goods, the conveyance data must be transmitted electronically to CBSA at least 24 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>													
<ul style="list-style-type: none"> <li>• If all the goods on board the vessel are breakbulk goods, the conveyance data must be transmitted electronically to CBSA at least 24 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>													
<ul style="list-style-type: none"> <li>• If the vessel is laden solely with empty cargo containers that are in international shuttle service, the conveyance data must be transmitted electronically to CBSA at least 96 hours before the arrival of the vessel at the first Canadian port of arrival.</li> </ul>													
<ul style="list-style-type: none"> <li>• However, if the goods on board the vessel are a combination of goods described above, conveyance data must be transmitted within the most advanced (longest) time frame.</li> </ul>													
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**FIGURE 2.1** Geographical Distribution of Container Traffic



SOURCE: "The Port at the Heart of Daily Life," online (pdf): *Montreal Port Authority* <[https://www.port-montreal.com/files/PDF/publications/2015-07-28\\_jaquette-corporo-en.pdf](https://www.port-montreal.com/files/PDF/publications/2015-07-28_jaquette-corporo-en.pdf)>.

### AIR ACI

Air cargo data must be sent to CBSA, electronically, before the arrival of the aircraft. Cargo data must also be transmitted to CBSA at least four hours before arrival at the port of report or customs office of declaration. If the duration of the flight is less than four hours, cargo data must be reported before the actual time of departure. Any **supplementary cargo report** must be sent within the same time frames as the cargo report.

Air conveyance data must be transmitted to CBSA at least four hours before the plane's arrival at the first port of arrival in Canada. If the duration of the flight is less than four hours, the data must be reported before the actual time of departure.

#### supplementary cargo report

Document submitted by a freight forwarder for shipments that have been, or will be, deconsolidated from an air or marine cargo control document for freight remaining on board (FROB) shipments only.



### DID YOU KNOW?

The busiest airport in Canada is Toronto Pearson International Airport.

## REPORTING AND ARRIVAL OF AIR CARRIERS

Goods carried in the air mode are reported by submission of either a CACM or WACM, the same as in the marine mode.

## HIGHWAY ACI

Highway carriers transmit cargo and conveyance data to CBSA through a process called eManifest. Data for both the cargo and the conveyance must be transmitted and received by CBSA no later than one hour before arrival at the First Point of Arrival (FPOA) and up to 90 days before arrival.

## REPORTING AND ARRIVAL OF HIGHWAY CARRIERS

When the highway carrier arrives at the First Point of Arrival (FPOA), they present a lead sheet to CBSA. The lead sheet must include a:

- bar-coded **Conveyance Reference Number (CRN)**; or
- bar-coded **Cargo Control Number (CCN)** with a handwritten CRN; or
- handwritten CRN if an alternative bar-coded document is also being presented; for example, a bar-coded PARS lead sheet. “PARS” stands for “Pre-Arrival Review System.”

The Border Services Officer (BSO) will match the lead sheet with the previously supplied ACI data and, if a previous decision has been made to release the goods, may release the goods at the FPOA.

Submission of ACI data within prescribed pre-arrival time frames, combined with the arrival of the conveyance in Canada, satisfies the requirement for “Report of Goods” required under section 12(1) of the *Customs Act*.

## RAIL ACI

Rail carriers must transmit cargo and conveyance data to CBSA a minimum of two hours before the rail carrier arrives at the border.

## ARRIVAL AND REPORTING OF RAIL CARRIERS

Goods carried by rail are reported by submission of either a CACM or WACM, the same as in the marine mode.

Submission of ACI data within prescribed pre-arrival time frames, combined with the arrival of the conveyance in Canada, satisfies the requirement for “Report of Goods” required under section 12(1) of the *Customs Act*.

### Conveyance Reference Number (CRN)

A number that identifies a shipment to CBSA; it consists of a carrier's CBSA-assigned carrier code, followed by a unique reference number assigned by the carrier.

### Cargo Control Number (CCN)

A number, assigned by a carrier or freight forwarder, to a transport document. It begins with the carrier's CBSA-assigned carrier code, followed by a unique reference number assigned by the carrier or freight forwarder.

## CARGO CONTROL DOCUMENT

When using paper reporting, rather than Electronic Data Interchange (EDI), the carrier requires a paper cargo control document (CCD). However, if the carrier has provided cargo data electronically prior to arrival, a paper manifest is not required.

For most modes, **Form A8A(B), In Bond—Cargo Control Document**, usually called a **manifest**, is used for this purpose. A paper manifest used for ocean shipments is **Form A6A, Freight/Cargo Manifest**.

When used in the highway mode, a highway carrier presents the paper manifest to CBSA at the FPOA.

On a paper manifest, the carrier code and the characters following the carrier code must be bar-coded. Carriers may print their own CCDs with a bar-coded Cargo Control Number (CCN) that begins with their four-character carrier code, or they may have their bar codes (with the four-character carrier code) printed on labels that are then affixed to a CCD. The carrier code plus the numbers that follow make up the cargo control number. Additional information about the transportation of goods is found in D3-1-1, Policy Respecting the Importation and Transportation of Goods.<sup>5</sup> An example of an A8A(B) is provided at the end of this chapter (Figure 2.4).

Special release programs require additional information to be included in the CCD bar-code. An example of a release program is **Pre-Arrival Review System (PARS)**. With PARS, information about the goods is provided to CBSA by the importer or customs broker prior to the arrival of the goods.

The CCD acts as the initial record of the shipment's arrival. This document is also used for goods moving in-bond to an inland customs office, to a sufferance warehouse, or to a bonded warehouse.

### FORM A8A(B), IN BOND—CARGO CONTROL DOCUMENT COMPLETION INSTRUCTIONS

Appendix D is reproduced below:

The following outlines information to be shown on the cargo control document. For the data elements required on electronic ACI reports for the air and marine modes, please see Memorandum D3-2-1 (for air mode) and Memorandum D3-5-1 (for marine mode).

**U.S. Port of Exit**—Indicate the U.S. border crossing, both city/town and state, for all shipments invoiced from the United States. For goods invoiced from the United States that are entering Canada in the service of an air carrier, indicate the U.S. Customs and Border Protection (US CBP) port where the goods are loaded on the aircraft which is to carry the goods to Canada. ...

<sup>5</sup> (Memorandum) (26 May 2017), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/dm-md/d3/d3-1-1-eng.pdf>>.

#### Form A8A(B), In Bond—Cargo Control Document

A paper manifest used by most carriers; for carriers who report using EDI, manifest data are sent electronically.

#### manifest

Also referred to as a Cargo Control Document, a manifest lists cargo and/or crew and/or passengers on a conveyance; it allows customs to control the movement of the cargo.

#### Form A6A, Freight/Cargo Manifest

A paper manifest used by marine carriers. For marine carriers who report EDI, Form A6A data are sent electronically.

#### Pre-Arrival Review System (PARS)

A system by which an importer or customs broker provides information to CBSA, prior to the arrival of the goods, that allows CBSA to release the goods upon their arrival in Canada.

The U.S. port of exit codes listed in Appendix H, List 6, of Memorandum D17-1-10, Coding of Customs Accounting Documents, may be used in lieu of the city/town and state name.

**In-transit**—Indicate country of final destination.

**Manifest from**—Indicate the CBSA office where the goods are reported.

**To**—Indicate the CBSA office where the goods are to be released/destined. CBSA offices are listed in the Directory of CBSA Offices available on the CBSA website. Where the destination has more than one sufferance warehouse for the applicable mode of transport (for example, Toronto), the name of the receiving CBSA office must be followed by the name, abbreviation or code of the intended warehouse of clearance (for example, Toronto-498).

**Consignee Name and Address**—For imports: Indicate the name and address of the person (company) in Canada to whom the goods are being shipped. For in-transit and FROB shipments: Indicate the name and address of the person (company) that is the ultimate consignee.

**Shipper's Name and Address**—Indicate the name and address of the person or firm shipping the goods.

**Acquittal No.**—To be completed by importer/broker or the CBSA.

**Carrier Code/Cargo Control No.**—On privately printed cargo control documents, the carrier must assign the cargo control number, in accordance with the instructions outlined in the Appendix C of [Memorandum D3-1-1].

**Carrier Code/Previous Cargo Control No.**—This field is to be completed on secondary cargo control documents, such as re-manifests, abstracts, etc. Indicate the carrier code and cargo control number of the original cargo control document.

**No. of Packages**—Indicate the quantity of goods being reported.

The following are different methods of reporting a shipment:

**No. of Pkgs. / Description and Marks**

1 car load containing 75 cases of motor oil on three pallets

3 pallets containing 75 cases of motor oil

75 cases of motor oil on three pallets

If a number of goods are being reported, the number of packages must be totalled.

**Description and Marks**—Give an accurate, concise description of the goods in common trade terms and note any marks imprinted on the package or goods. If the goods are loaded in a container, the container number must be indicated in this field.

When goods are carried under shipper's load and count contracts, mark "shipper's load and count" in this field.

Rail carriers must indicate the waybill numbers in this field, if a separate field for this information does not exist on their cargo control documents.

Estimated date and time of arrival information must be included on the CCD in either the "Description and Marks" field or the "Location of Goods" field. Any and

all applicable container numbers must be included on the CCD in either the “Container Number” field (if one exists on the CCD) or in the “Description and Marks” field. Clients transmitting electronic EDI reports will be required to indicate this information in the fields assigned to these data elements, “Estimated date and time of arrival” and the “Container Number” fields.

**Weight**—Indicate the weight of the shipment in metric or imperial measure. The unit of measure must be noted and the weight must be totalled.

**Foreign Point of Lading**—(To be completed by freight forwarders and marine carriers only) Indicate the city/town and country where the goods were loaded on board a vessel, aircraft, vehicle or rail conveyance.

**Location of Goods**—Indicate the name and address of the sufferance warehouse where goods are stored pending clearance. The name of the agent handling the load must also be shown in this field. In the case of commercial shipments, where the carrier, freight forwarder or agent are not one and the same as the sufferance warehouse, the warehouse sub-location code that has been assigned to the sufferance warehouse by the CBSA must be included. A listing of sufferance warehouse sub-location codes may be obtained by accessing the CBSA website, or by communicating with the CBSA Electronic Commerce Unit at the following:

1-888-957-7224 calls within Canada and the United States

1-613-946-0762 for overseas callers between 8 a.m. and 5 p.m. (E.S.T.)

1-613-946-0763 for overseas callers between 5 p.m. and 8 a.m. (E.S.T.)

**Name of Carrier**—Indicate the name of the carrier transporting the goods.

**Vehicle Identification**—Highway carriers must indicate the vehicle identification number (licence number, province or state, year and trailer number). Other modes of transportation must indicate aircraft registration numbers, rail car initials and numbers or vessel details in this field.

Any field requirements specific to only one mode of transportation may be excluded by carriers of other modes of transportation.

All carriers are obliged to include information on the cargo control document that will allow for the efficient tracing of CBSA documentation within their operations.<sup>6</sup>

Discrepancies between the name of the consignee, the name of the shipper, or the marks and description of the goods must be investigated. If discrepancies arise in the number of packages or weight, the CCD must be returned to the carrier for correction once the discrepancies have been identified.

## DIVERSIONS

The “Manifest From” field on the cargo control document indicates the point where the goods are reported to CBSA, or the first point of entry. The “Manifest

<sup>6</sup> “Appendix D: Cargo Control Document, Form A8A(B) Completion Instructions” (last modified 26 May 2017), online: *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/dm-md/d3/d3-1-1-eng.html>>.



To” field on the CCD indicates the customs office where the goods will be released.

These fields are important. Often, a shipment manifested to a particular customs location is diverted to another customs location. When this occurs, it is the responsibility of the carrier to prepare a **Form A30, Customs Diversion Notice**. Form A30 is prepared in duplicate and submitted to CBSA in order to have the goods released. A sample Form A30 is provided at the end of this chapter (Figure 2.5).

## CARGO CONTROL ABSTRACT

If a CCD will be cancelled by more than one release or accounting package, then a **Form A10, Cargo Control Abstract** must be prepared. A Form A10 must be prepared for each portion of the shipment requiring a separate release. The total quantity of all the cargo control abstract forms must equal the quantity shown on the original CCD.

Each abstract must bear a unique number. The original cargo control number is used, followed by an “X” and a unique numeric digit. For example, if the original cargo control number was 2105 1213452222 and there were three abstract manifests, the cargo control numbers would be:

1. 2105 1213452222 X 1
2. 2105 1213452222 X 2
3. 2105 1213452222 X 3

All copies of each abstract set must be presented to CBSA before the goods are released.

A sample Form A10 is provided at the end of this chapter (Figure 2.6).

## COURIER SHIPMENTS

FedEx, Purolator, and UPS are all examples of couriers. Couriers may move goods by air or ground and generally specialize in small shipments. A shipper may choose to use a courier when truck or air freight rates are too expensive or when goods are urgently required.

Most couriers carrying international goods participate in the **Courier Low Value Shipment (CLVS) program**. This program is used for goods that have a value for duty of less than Cdn\$2,500.00 and are not prohibited, controlled, or regulated. Couriers must be approved by CBSA for participation in this program.

Couriers who participate in the CLVS program report all shipments to CBSA using a **consolidated cargo release list**, rather than a CCD, which identifies each importer.

The consolidated cargo release list must also include an accurate description of the goods so that CBSA can determine whether the goods are controlled, prohibited, or regulated by an act of Parliament or government department.

### Form A30, Customs Diversion Notice

A hard-copy form used by carriers to report to CBSA that goods listed on their cargo report are being diverted to another location upon their arrival in Canada; for carriers sending cargo reports electronically, the data are sent as a “change” to the original cargo report.

### Form A10, Cargo Control Abstract

Used to split goods listed on a manifest into more than one manifest so that goods can be released and accounted for separately.

### Courier Low Value Shipment (CLVS) program

A program that streamlines the process to import goods valued at less than Cdn\$2,500.00 and allows courier participants an expedited release process.

### consolidated cargo release list

A list on which couriers report all shipments to CBSA.

The following information is included in the heading of the list:

1. carrier code,
2. carrier name,
3. US port of exit,
4. vehicle identification number,
5. customs office of release, and
6. date.

The following information must also be shown for each shipment on the consolidated cargo release list:

1. a unique identifying number generated by the courier;
2. the consignee's name and address;
3. the importer's name and address if different from the consignee's;
4. the name of the shipper, exporter, or vendor and its address;
5. the number of packages;
6. the weight of the shipment;
7. the estimated value for duty in Canadian dollars;
8. a description of the goods; and
9. the country of origin.

The total number of shipments must be indicated. The courier may not include goods on this list that cannot be released under the CLVS program.

Before or on arrival of the shipment, the courier presents CBSA with the consolidated cargo release list. The list contains all low value shipments for which release is being requested. If the goods remaining on the consolidated cargo release list are approved for release, CBSA will stamp one copy of the list, if paper, and return it to the courier as proof of release. The second copy is retained by CBSA. When presented using EDI, a response is provided by CBSA electronically.

Once goods are released, the courier is responsible for providing all supporting documentation for each shipment to the importer or customs broker so that they may account for the goods. This information is referred to as a **consist sheet** and includes the same information supplied to CSBA as well as an indication of the customs broker to whom the list was provided. If the courier is also a licensed customs broker and there is no customs broker indicated for a particular commercial shipment, the courier may account for the goods if approval to do so is given by the importer. If the goods are casual, no approval is required and the courier will account for the goods. The accounting of goods is covered in Chapter 7.

#### **consist sheet**

A list on which couriers provide release information and supporting documentation for each shipment to the importer or customs broker so that they may account for the goods.

## COURIER IMPORTS REMISSION ORDER

With certain exceptions, the **Courier Imports Remission Order (CIRO)** allows goods that are transported into Canada by courier to be exempt from duty and GST. In order to qualify under this remission order, goods must not exceed the current valuation limit of Cdn\$20.00.

The following goods are *not* eligible for the CIRO, regardless of their value:

- alcoholic beverages,
- cigars,
- cigarettes, and
- manufactured tobacco.

Dividing single shipments into smaller packages in order to take advantage of the CIRO is not allowed.

## MAIL SHIPMENTS

International mail arriving in Canada is sorted before being sent to one of five CBSA mail centres—Vancouver, Calgary, Winnipeg, Toronto, and Montreal. CBSA examines international mail to determine whether the goods are admissible and whether the contents might be subject to other government department requirements.

At the mail centres, CBSA identifies mail requiring additional examination. Mail is then sorted into duty-free and tax-free groups. Those requiring no further review are stamped and released to Canada Post for delivery. Mail that is released includes goods that qualify for the **Postal Imports Remission Order (PIRO)** and goods that qualify for entry under tariff item 9816.00.00.

The PIRO allows duty-free entry of goods shipped by mail and valued at the current valuation limit of Cdn\$20.00 or less. Goods that are not allowed under the PIRO are alcoholic beverages, cigars, cigarettes, manufactured tobacco, and some gifts. The PIRO allows eligible goods into the regular postal stream without the payment of any duties or taxes.

Tariff item 9816.00.00 also allows free entry of goods shipped by mail and reads as follows:

Casual donations sent by persons abroad to friends in Canada, or imported personally by persons who are not residents of Canada as gifts to friends, and not being advertising matter, tobacco or alcoholic beverages, when the value thereof does not exceed sixty dollars in any one case.<sup>7</sup>

<sup>7</sup> "Departmental Consolidation of the Customs Tariff 2019" (1 January 2019) (excludes the *Customs Tariff*, SC 1977, c 36) at 98-7, online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2019/01-99/01-99-t2019-1-eng.pdf>>.

### Courier Imports Remission Order (CIRO)

Allows certain goods transported into Canada by courier an exemption from the payment of duty and tax; goods must not exceed Cdn\$20.00 in value.

### Postal Imports Remission Order (PIRO)

Allows certain goods transported into Canada by mail an exemption from the payment of duty and tax; goods must not exceed Cdn\$20.00 in value.

The exemption claimed under tariff item 9816.00.00 cannot be combined with the PIRO.

Mail items not released to Canada Post for delivery are bar-coded before undergoing secondary processing, and the bar-coded data are entered into the Customs Postal Import Control System.

CBSA does a secondary review to determine whether the goods are subject to duties and/or taxes, whether they require a permit, or whether they require inspection by another government department. Under section 99 of the *Customs Act*,<sup>8</sup> CBSA has the authority to open mail and examine its contents.

If it is determined that these goods are duty and/or tax free, or can be released under the PIRO or gift exemption, the goods are stamped as “examined” before being released into the regular mail stream.

For goods that are not released, a BSO will determine the tariff classification of the goods as well as the value of the goods based on the information that accompanied the goods on the customs declaration.

As well as duty and GST/HST, provincial sales taxes are collected on non-commercial mail items on behalf of British Columbia, Manitoba, Quebec, and Saskatchewan.

Details of the duties, taxes, and handling fee are printed on Form E14, which is attached to the mail item and delivered. Canada Post then collects the duties and taxes and charges the recipient a Cdn\$9.95 handling fee.

An importer who does not agree with the assessment of duties and taxes may request an adjustment before paying duties and taxes by checking the “Return to Customs” box on Form E14. As well, an importer may refuse the mail item by checking the “Item Refused, RTS” box on Form E14. Canada Post will stamp the mail item and return it to the sender.

For commercial goods (those valued at Cdn\$2,500.00 or more) imported by mail, the importer will be advised that the goods have arrived. The importer, or its agent, must then present the customs documentation that is required to obtain release of the goods.

A parcel will be held at the postal substation for a period of 10 days after notification. If a response has not been received from the importer, the parcel will be returned to the sender. There are no second notices issued. When the importer returns a parcel to CBSA for subsequent presentation of an entry, the parcel is held for 21 days. If an accounting document is not presented within this time frame, the parcel is returned to the sender if there is a return address. If the mail cannot be returned, it may be destroyed or sold.

### sufferance warehouses

Established for the landing, storage, safekeeping, transfer, examination, delivery, and forwarding of imported goods that have not yet been released; they are privately owned and operated, and are licensed by CBSA.

## SUFFERANCE WAREHOUSES

**Sufferance warehouses** are established for the landing, storage, safekeeping, transfer, examination, delivery, and forwarding of imported goods that have

<sup>8</sup> *Supra* note 4.

not yet been released. They are privately owned and operated, and are licensed by CBSA.

Goods may remain in a sufferance warehouse for up to 40 days. Warehouse operators must provide CBSA with a list of goods that have not been removed from the sufferance warehouse within the allowed time frame. Imported goods that remain in the warehouse will be considered unclaimed and will be disposed of.

Storage charges will usually be assessed once goods have been in a sufferance warehouse for three business days. The rate of storage may vary from one sufferance warehouse to another. The storage charges are assessed on a trailer or container basis, or may be based on the weight of the shipment. Consequently, the greater the weight, the higher the storage charges.

## BONDED WAREHOUSES

An importer may want to delay the payment of duties and taxes on imported goods and they may do so by placing the goods in a **bonded warehouses**. Duty and taxes are paid when the goods are removed from the bonded warehouse. They may also be exported from Canada directly from the bonded warehouse without the payment of duty and tax.

Goods that are destined for a bonded warehouse must be reported by the carrier in the same manner as any other goods.

There are two types of bonded warehouses: private and public. Private warehouses are used by individuals or companies to store their own goods, and public warehouses are run by entrepreneurs for storing goods that are imported by various companies.

## CONSOLIDATIONS AND DECONSOLIDATIONS

A **consolidation** occurs when a number of shipments are grouped together outside of Canada by a freight forwarder and shipped under one CCD. This is typically done to obtain a more favourable freight rate from the carrier.

When a consolidated shipment enters Canada, the primary carrier—that is, the carrier who has the goods—must indicate the freight forwarder or deconsolidator as the consignee on the CCD.

The freight forwarder, upon arrival of the consolidated goods, will **deconsolidate** the goods, that is, divide them into individual shipments. Secondary CCDs are created for each shipment and these are presented to CBSA. The CCDs are distributed to customs brokers or importers in order for the goods to be released.

Further information regarding deconsolidations is available in D3-3-1, Freight Forwarder Pre-Arrival and Reporting Requirements.<sup>9</sup>

### **bonded warehouse**

Allow goods to be stored without the payment of duty and tax; there are two types of bonded warehouses: private and public. Private warehouses are used by individuals or companies to store their own goods, and public warehouses are run by entrepreneurs for storing goods that are imported by various companies. Bonded warehouses are licensed and regulated by CBSA.

### **consolidation**

Occurs when a number of shipments are grouped together outside Canada by a freight forwarder and shipped to Canada under one CCD.

### **deconsolidate**

The act of separating consolidated goods into separate shipments.

9 (Memorandum) (20 September 2016), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/dm-md/d3/d3-3-1-eng.pdf>>.

**FIGURE 2.2** Sample Bill of Lading

OP-097G 11/11  
**Straight bill of lading—original—not negotiable**

DATE: \_\_\_\_\_ PRO. NO. \_\_\_\_\_

B/L NO.: \_\_\_\_\_ PAGE \_\_\_\_\_

<b>SHIPPER NO.</b>	<b>TRAILER NO.</b>	<b>Place PRO label here.</b>			
<b>SHIPPER NAME</b>					
<b>ADDRESS</b>					
<b>CITY</b>	<b>STATE</b>				
<b>ORIGIN CITY (IF DIFFERENT FROM ABOVE)</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>DESTINATION CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>
<b>INVOICEE OR COD REMIT TO NAME (IF DIFFERENT FROM SHIPPER)</b>			<b>PHONE NO.</b>		
<b>ADDRESS</b>			<b>CUSTOMER NO.</b>	<b>STORE NO.</b>	<b>DEPT.</b>
<b>CITY</b>			<b>P.O. NO.</b>		
<b>ATTN.</b>			<b>SPECIAL INSTRUCTIONS</b>		

<b>COD FEE</b> PREPAID <input type="checkbox"/> COLLECT <input type="checkbox"/>		<b>COD AMT \$</b>	<b>CUSTOMER CHECK OK FOR COD AMOUNT?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>		
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NO. SHPNG UNITS	PKG TYPE	HM	DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS	NMFC ITEM NO.	CLASS	WEIGHT (LB) SUBJ TO CORR	RATE	CHARGES CARRIER USE ONLY

<b>EMERGENCY CONTACT</b>		<b>SHIPMENT CHARGES PREPAID UNLESS</b>		<b>TOTAL CHARGES \$</b>
Phone: _____	Name: _____	MARKED COLLECT: COLLECT <input type="checkbox"/>		
<p><b>NOTE (1)</b> Where the rate depends on value, shippers must state specifically in writing the agreed or declared value of the property as follows:                  The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding _____ per _____.</p> <p><b>Note: (2) Liability limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. §14706 (c)(1)(A) and (B).</b></p>		<p><b>Note (3)</b> Products requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care. See Sec. 2(e) of NMFC Item 360.                  If this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement:                  The carrier may decline to make delivery of this shipment without payment of freight and all other lawful charges.                  Signature of consignor _____</p>		
<p>Received subject to individually determined rates or written contracts that have been agreed on in writing between the carrier and shipper, if applicable, otherwise to rates, classifications and rules that have been established by the carrier and are available to the shipper on request.</p>				
<p>The property described above is in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined, as indicated above which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry its usual place of delivery of said destination, if on its route, otherwise to deliver to another carrier on the route to said destination.</p>		<p>It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, herein contained, including the conditions on the back hereof, which are hereby agreed to by the shipper and accepted for himself and his assigns.</p>		
<p>I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name and are classified, packaged, marked and labeled/placarded and are in all respects in proper condition for transport according to applicable international and national governmental regulations.</p>				
<b>SHIPPER COMPANY NAME</b>	<b>CARRIER</b>	<b>Trailer #</b>	<b>DATE</b>	<p><b>Trailer Loaded by:</b> <input type="checkbox"/> Shipper <input type="checkbox"/> Driver</p> <p><b>Freight Counted by:</b> <input type="checkbox"/> Driver: pallets said to contain</p>
<b>SHIPPER SIGNATURE</b>	<b>PER</b>	<b>H/U RECEIVED</b>		<p><input type="checkbox"/> Shipper <input type="checkbox"/> Driver: pallets containing</p> <p><input type="checkbox"/> Driver: Loose pieces</p>

MARK "X" IN HM COLUMN FOR HAZARDOUS MATERIALS. SINGLE SHIPMENT PICKUP  Printed in U.S.A.

Print two copies of this page: One for your driver, one for your files.

## Uniform Bill of Lading Terms and Conditions

### Sec. 1.

(a) The carrier or the party in possession of any of the property described in this bill of lading shall be liable as at common law for any loss thereof or damage thereto, except as hereinafter provided.

(b) No carrier shall be liable for any loss or damage to a shipment or for any delay caused by an Act of God, the public enemy, the authority of law, or the act or default of shipper. Except in the case of negligence of the carrier or party in possession, the carrier or party in possession shall not be liable for loss, damage or delay which results: when the property is stopped and held in transit upon request of the shipper, owner or party entitled to make such request; or from faulty or impassible highway, or by lack of capacity of a highway bridge or ferry; or from a defect or vice in the property; or from riots or strikes. The burden to prove freedom from negligence is on the carrier or the party in possession.

### Sec. 2.

Unless arranged or agreed upon, in writing, prior to shipment, carrier is not bound to transport a shipment by a particular schedule or in time for a particular market, but is responsible to transport with reasonable dispatch. In case of physical necessity, carrier may forward a shipment via another carrier.

### Sec. 3.

(a) As a condition precedent to recovery, claims must be filed in writing with: any participating carrier having sufficient information to identify the shipment.

(b) Claims for loss or damage must be filed within nine months after the delivery of the property (or, in the case of export traffic, within nine months after delivery at the port of export), except that claims for failure to make delivery must be filed within nine months after a reasonable time for delivery has elapsed.

(c) Suits for loss, damage, injury or delay shall be instituted against any carrier no later than two years and one day from the day when written notice is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts of the claim specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no carrier shall be liable, and such claims will not be paid.

(d) Any carrier or party liable for loss of or damage to any of said property shall have the full benefit of any insurance that may have been effected, upon or on account of said property, so far as this shall not avoid the policies or contracts of insurance, PROVIDED, that the carrier receiving the benefit of such insurance will reimburse the claimant for the premium paid on the insurance policy or contract.

### Sec. 4.

(a) If the consignee refuses the shipment tendered for delivery by carrier or if carrier is unable to deliver the shipment, because of fault or mistake of the consignor or consignee, the carrier's liability shall then become that of a warehouseman. Carrier shall promptly attempt to provide notice, by telephonic or electronic communication as provided on the face of the bill of lading, if so indicated, to the shipper or the party, if any, designated to receive notice on this bill of lading. Storage charges, based on carrier's tariff, shall start no sooner than the next business day following the attempted notification. Storage may be, at the carrier's option, in any location that provides reasonable protection against loss or damage. The carrier may place the shipment in public storage at the owner's expense and without liability to the carrier.

(b) If the carrier does not receive disposition instructions within 48 hours of the time of carrier's attempted first notification, carrier will attempt to issue a second and final confirmed notification. Such notice shall advise that if carrier does not receive disposition instructions within 10 days of that notification, carrier may offer the shipment for sale at a public auction and the carrier has the right to offer the shipment for sale. The amount of sale will be applied to the carrier's invoice for transportation, storage and other lawful charges. The owner will be responsible for the balance of charges not covered by the sale of the goods. If there is a balance remaining after all charges and expenses are paid, such balance will be paid to the owner of the property sold hereunder, upon claim and proof of ownership.

(c) Where carrier has attempted to follow the procedure set forth in subsections 4(a) and (b) above and the procedure provided in this section is not possible, nothing in this section shall be construed to abridge the right of the carrier at its option to sell the property under such circumstances and in such manner as may be authorized by law. When perishable goods cannot be delivered and disposition is not given within a reasonable time, the carrier may dispose of property to the best advantage.

(d) Where a carrier is directed by consignee or consignor to unload or deliver property at a particular location where consignor, consignee, or the agent of either, is not regularly located, the risk after unloading or delivery shall not be that of the carrier.

### Sec. 5.

(a) In all cases not prohibited by law, where a lower value than the actual value of the said property has been stated in writing by the shipper or has been agreed upon in writing as the released value of the property as determined by the classification or tariffs upon which the rate is based, such lower value plus freight charges if paid shall be the maximum recoverable amount for loss or damage, whether or not such loss or damage occurs from negligence.

(b) No carrier hereunder will carry or be liable in any way for any documents, coin money, or for any articles of extraordinary value not specifically rated in the published classification or tariffs unless a special agreement to do so and a stipulated value of the articles are endorsed on this bill of lading.

### Sec. 6.

Every party, whether principal or agent, who ships explosives or dangerous goods, without previous full written disclosure to the carrier of their nature, shall be liable for and indemnify the carrier against all loss or damage caused by such goods. Such goods may be warehoused at owner's risk and expense or destroyed without compensation.

### Sec. 7.

(a) The consignor or consignee shall be liable for the freight and other lawful charges accruing on the shipment, as billed or corrected, except that collect shipments may move without recourse to the consignor when the consignor so stipulates by signature or endorsement in the space provided on the face of the bill of lading. Nevertheless, the consignor shall remain liable for transportation charges where there has been an erroneous determination of the freight charges assessed, based upon incomplete or incorrect information provided by the consignor.

(b) Notwithstanding the provisions of subsection (a) above, the consignee's liability for payment of additional charges that may be found to be due after delivery shall be as specified by 49 U.S.C. §13706, except that the consignee need not provide the specified written notice to the delivering carrier if the consignee is a for-hire carrier.

(c) Nothing in this bill of lading shall limit the right of the carrier to require the prepayment or guarantee of the charges at the time of shipment or prior to delivery. If the description of articles or other information on this bill of lading is found to be incorrect or incomplete, the freight charges must be paid based upon the articles actually shipped.

### Sec. 8.

If this bill of lading is issued on the order of the shipper, or his agent, in exchange or in substitution for another bill of lading, the shipper's signature on the prior bill of lading or in connection with the prior bill of lading as to the statement of value or otherwise, or as to the election of common law or bill of lading liability shall be considered a part of this bill of lading as fully as if the same were written on or made in connection with this bill of lading.

### Sec. 9.

If all or any part of said property is carried by water over any part of said route, such water carriage shall be performed subject to the terms and provisions and limitations of liability specified by the "Carriage of Goods By Sea Act" and any other pertinent laws applicable to water carriers.

FIGURE 2.3 Sample Canada Customs Invoice

Canada Border Services Agency / Agence des services frontaliers du Canada		CANADA CUSTOMS INVOICE / FACTURE DES DOUANES CANADIENNES		PROTECTED WHEN COMPLETED / PROTÉGÉ UNE FOIS REMPLI	
				Page of de	
1. Vendor (name and address) - Vendeur (nom et adresse) <b>The Fashion Showroom 19985 Canal Street New York, NY 12345</b>		2. Date of direct shipment to Canada - Date d'expédition directe vers le Canada <b>2020/12/06</b>			
4. Consignee (name and address) - Destinataire (nom et adresse) <b>Clothes for Her 27 St. Paul Street St. Catharines, ON L7P 2Q8</b>		3. Other references (include purchaser's order No.) Autres références (inclure le n° de commande de l'acheteur) <b>P.O. 7655-B</b>			
8. Transportation: Give mode and place of direct shipment to Canada Transport : Précisez mode et point d'expédition directe vers le Canada <b>Highway</b>		5. Purchaser's name and address (if other than consignee) Nom et adresse de l'acheteur (s'il diffère du destinataire) <b>East Side Warehouse 123A Spadina Avenue Toronto, ON M8R 6B7</b>			
		6. Country of transshipment - Pays de transbordement		7. Country of origin of goods Pays d'origine des marchandises <b>United States</b>	
		9. Conditions of sale and terms of payment (i.e. sale, consignment shipment, leased goods, etc.) Conditions de vente et modalités de paiement (p. ex. vente, expédition en consignation, location de marchandises, etc.) <b>10 net 30</b>			
		10. Currency of settlement - Devises du paiement <b>U.S. Dollars</b>			
11. Number of packages Nombre de colis	12. Specification of commodities (kind of packages, marks and numbers, general description and characteristics, i.e., grade, quality) Désignation des articles (nature des colis, marques et numéros, description générale et caractéristiques, p. ex. classe, qualité)	13. Quantity (state unit) Quantité (précisez l'unité)	14. Selling price - Prix de vente Unit price Prix unitaire		
			15. Total		
6	boxes women's skirts, wool	60	30.00	1,800.00	
4	boxes women's blouses, silk	80	20.00	1,600.00	
20	boxes women's raincoats, nylon	400	16.00	6,400.00	
12	boxes women's bathing suits, polyester	120	25.00	3,000.00	
24	boxes women's 3-piece suits, wool blend	144	80.00	11,520.00	
18. If any of fields 1 to 17 are included on an attached commercial invoice, check this box Si tout renseignement relativement aux zones 1 à 17 figure sur une ou des factures commerciales ci-attachées, cochez cette case Commercial Invoice No. - N° de la facture commerciale ▶		16. Total weight - Poids total Net <b>2700 kg</b>		17. Invoice total Total de la facture <b>24,320.00</b>	
19. Exporter's name and address (if other than vendor) Nom et adresse de l'exportateur (s'il diffère du vendeur)		20. Originator (name and address) - Expéditeur d'origine (nom et adresse)			
21. Agency ruling (if applicable) - Décision de l'Agence (s'il y a lieu)		22. If fields 23 to 25 are not applicable, check this box Si les zones 23 à 25 sont sans objet, cochez cette case <input checked="" type="checkbox"/>			
23. If included in field 17 indicate amount: Si compris dans le total à la zone 17, précisez : (i) Transportation charges, expenses and insurance from the place of direct shipment to Canada Les frais de transport, dépenses et assurances à partir du point d'expédition directe vers le Canada _____ (ii) Costs for construction, erection and assembly incurred after importation into Canada Les coûts de construction, d'érection et d'assemblage après importation au Canada _____ (iii) Export packing Le coût de l'emballage d'exportation _____		24. If not included in field 17 indicate amount: Si non compris dans le total à la zone 17, précisez : (i) Transportation charges, expenses and insurance to the place of direct shipment to Canada Les frais de transport, dépenses et assurances jusqu'au point d'expédition directe vers le Canada _____ (ii) Amounts for commissions other than buying commissions Les commissions autres que celles versées pour l'achat _____ (iii) Export packing Le coût de l'emballage d'exportation _____		25. Check (if applicable): Cochez (s'il y a lieu) : (i) Royalty payments or subsequent proceeds are paid or payable by the purchaser Des redevances ou produits ont été ou seront versés par l'acheteur <input type="checkbox"/> (ii) The purchaser has supplied goods or services for use in the production of these goods L'acheteur a fourni des marchandises ou des services pour la production de ces marchandises <input type="checkbox"/>	

SOURCE: "Canada Customs Invoice" (last modified 10 October 2008), online (pdf): [Canada Border Services Agency <https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/ci1.pdf>](https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/ci1.pdf).




FIGURE 2.4 Sample Form A8A(B), In Bond—Cargo Control Document

No. of pkgs. Nombre de colis		Description and marks Désignation et marques	Weight Poids	Rate Taux	Advances Avances	Prepaid Port payé	Collect Port dû
6		boxes women's skirts	150 kg				
4		boxes women's blouses	150 kg				
20		boxes women's raincoats	900 kg				
12		boxes women's bathing suits	600 kg				
<u>24</u>		boxes women's suits	<u>1200 kg</u>				
66			3000 kg				

A8A(B) (05)


SOURCE: "In Bond—Cargo Control Document" (last modified 15 August 2018), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/a8a-b.pdf>>.

FIGURE 2.5 Sample Form A30, Customs Diversion Notice

	<b>Revenue Canada</b> Customs and Excise	<b>Revenu Canada</b> Douanes et Accise	<b>CUSTOMS DIVERSION NOTICE</b> <b>AVIS DE DÉROUITEMENT DOUANIER</b>				
To: Chief Officer of Customs and Excise Au: Agent de douane et accise en chef Fort Erie, ON <hr/> Customs Office / Bureau de douane			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; font-size: small;">                     Carrier Code                      Code du transp.                 </td> <td style="width: 50%; font-size: small;">                     Cargo Control No.                      N° de contrôle du fret                 </td> </tr> <tr> <td style="text-align: center;">1123</td> <td style="text-align: center;">45876543</td> </tr> </table>	Carrier Code Code du transp.	Cargo Control No. N° de contrôle du fret	1123	45876543
Carrier Code Code du transp.	Cargo Control No. N° de contrôle du fret						
1123	45876543						
The goods covered by the above Cargo Control Number originally destined to the Customs Office of <div style="text-align: center; margin: 5px 0;"><u>Fort Erie, ON</u></div>							
Les marchandises visées par le Numéro de contrôle du fret susmentionné et destinées initialement au bureau de douane de <div style="text-align: center; margin: 5px 0;"><u>Fort Erie, ON</u></div>							
have been diverted to the Customs Office of <div style="text-align: center; margin: 5px 0;"><u>Toronto, ON</u></div>		ont été dérivées sur le bureau de douane de <div style="text-align: center; margin: 5px 0;"><u>Toronto, ON</u></div>					
for Customs clearance.		aux fins de dédouanement.					
No. of Pkgs. / Nbre de colis <div style="text-align: center; font-size: large;">66</div>	Consignee / Nom du destinataire Clothes for Her, 27 St. Paul Street, St. Catharines, ON L7P 2Q8	Weight / Poids 3000 kg					
Connecting Carrier / Transporteur de correspondance		_____ Agent's Signature / Signature de l'agent					
DEPARTMENT OF NATIONAL REVENUE — CUSTOMS AND EXCISE MINISTÈRE DU REVENU NATIONAL — DOUANES ET ACCISE <b>A 30 (1/91)</b>							
							
<p>A diversion occurs when a shipment, prior to arrival at the destination customs office, is diverted to a customs office other than the one noted on the A8A(B).</p> <p>However, if it is noted after the arrival of the goods that they will be diverted to a different customs office for release, then a remanifest is submitted. A remanifest is a rewritten A8A(B).</p>							

SOURCE: "Diversion Notice" (last modified 20 February 2018), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/a30.pdf>>.

FIGURE 2.6 Sample Form A10, Cargo Control Abstract

 <b>Canada Border Services Agency</b> / <b>Agence des services frontaliers du Canada</b>		Acquittal No. - N° de l'acquittement	
<b>CARGO CONTROL ABSTRACT</b> <b>RÉSUMÉ DE CONTRÔLE DU FRET</b>			
U.S. port of exit - Bureau de sortie des É.-U. Buffalo, New York			
CBSA office - Bureau de l'ASFC Fort Erie, ON		Carrier code Code du transporteur	Cargo control No. N° de contrôle du fret
Consignee name and address - Nom et adresse du destinataire Clothes for Her 27 St. Paul Street St. Catharines, ON L7P 2Q8		1123	45876543 X 1
Shipper name and address - Nom et adresse de l'expéditeur The Fashion Showroom 11985 Canal Street New York, NY 12345		Carrier code Code du transporteur 1123	Master cargo control No. N° de contrôle du fret principal 45876543
Waybilled from or point loaded Lieu d'émission du bordereau d'expédition ou point de chargement		Location of goods - Emplacement des marchandises	
No. of pieces Nbre de pièces	Description and marks Désignation et marques	Weight Poids	
6 4 10	boxes women's skirts boxes women's blouses	150 kg 150 kg 300 kg	
Name and address of deconsolidator/broker/importer - Nom et adresse du dégroupier/courtier/importateur			
<b>To be delivered to the CBSA</b> <b>A remettre à l'ASFC</b>			
A10 (05) Printed in Canada - Imprimé au Canada			
<b>CBSA CONTROL COPY - EXEMPLAIRE DE CONTRÔLE DE L'ASFC</b>			
<p>If the goods on the preceding A8A(B) will be accounted for on more than one accounting document, the A8A(B) must be abstracted. The following A10s reflect goods that will be accounted for by three different importers.</p>			
<p>Note that the number of boxes on the A10s add up to the number of boxes on the A8A(B).</p>			

SOURCE: "Cargo Control Abstract" (last modified 14 May 2018), online (pdf): *Canada Border Services Agency* <<https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/a10.pdf>>.

## KEY TERMS

Advance Commercial Information (ACI), 28	Courier Imports Remission Order (CIRO), 39	gross weight, 24
bill of lading, 22	Courier Low Value Shipment (CLVS) program, 37	in-transit goods, 28
bonded warehouses, 41	deconsolidate, 41	less than a container load (LCL) shipments, 30
breakbulk cargo, 29	Form A6A, Freight/Cargo Manifest, 34	manifest, 34
bulk cargo, 29	Form A8A(B), In Bond—Cargo Control Document, 34	net weight, 24
Canada Customs Invoice (CCI), 22	Form A10, Cargo Control Abstract, 37	Postal Imports Remission Order (PIRO), 39
Cargo Control Number (CCN), 33	Form A30, Customs Diversion Notice, 37	Pre-Arrival Review System (PARS), 34
commercial invoice, 27	Freight Remaining on Board (FROB), 28	sufferance warehouses, 40
consist sheet, 38	full container load (FCL) shipments, 30	supplementary cargo report, 32
consolidated cargo release list, 37		
consolidation, 41		
Conveyance Reference Number (CRN), 33		

## REVIEW QUESTIONS

### MULTIPLE CHOICE AND TRUE/FALSE QUESTIONS

- There are various types of bills of lading, depending on the mode of transportation. True or false?
- A Canadian importer may complete the Canada Customs Invoice (CCI) for goods they are importing. True or false?
- A commercial invoice may be used in lieu of a CCI as long as all information required on the CCI is found on the commercial invoice. True or false?
- Cargo data must be transmitted to CBSA before cargo is loaded onto the ship. True or false?
- Sufferance warehouses are owned, operated, and licensed by CBSA. True or false?
- The time frames for reporting cargo data are the same whether cargo is loaded in the United States (US) or in a country other than the US. True or false?
- The courier imports remission order allows certain goods that are transported into Canada by courier to be exempt from duty only. True or false?
- What form is used by CBSA to indicate duties, taxes, and handling fees for goods shipped through the mail?
  - Form E14
  - Canada Customs Invoice
  - Bill of lading
  - Form A6A
  - Form A8A
- \_\_\_\_\_ allows CBSA to open mail and examine its contents.
  - Section 99 of the *Customs Act*
  - Section 12(a) of the *Customs Act*
  - D1-4-1
  - D3-1-1
  - D3-3-1

10. For goods shipped by air, cargo and conveyance data must be transmitted to CBSA a minimum of \_\_\_\_\_ before their arrival.
- a. 1 hour
  - b. 2 hours
  - c. 3 hours
  - d. 4 hours
  - e. 5 hours

### SHORT ANSWER QUESTIONS

1. What is a bill of lading?
2. What is shown in Field 4 of the CCI, Consignee?
3. List the five basic steps involved in the proper importation of commercial goods.
4. What is shown in Field 6 of the CCI, Country of Transshipment?
5. What is shown in Field 10 of the CCI, Currency of Settlement?
6. Can the amount shown in Field 23(i) of the CCI be deducted from the amount shown in Field 17?
7. Can the amount shown in Field 24(iii) of the CCI be deducted from the amount shown in Field 17?
8. Who is responsible for the reporting of goods?
9. CBSA implemented the advance commercial information program in 2004 for marine carriers. As a result, how must cargo and conveyance data be provided to CBSA?
10. List five items that must be shown for each shipment on a courier's consolidated cargo release list.
11. What does 9816.00.00.00 cover?
12. What is a consolidation?

