

Export Documentation and Procedures: How to Start Exporting in 7 Easy Steps

EXPORT SERIES

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exportlink

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A Member of the Canada Business Service Centre Network

You have assessed your strengths and weaknesses and concluded that exporting is right for your company, you have selected a market, done your market research and developed an export plan...now what?

1. Get an Importer/Exporter Account from the Canada Revenue Agency

All Canadian individuals or businesses exporting on a commercial basis must obtain a business number in order to account for their goods. The Canada Revenue Agency uses this number to identify a business and to process Customs accounting documents. Application forms are available from all Canada Revenue Agency offices that clear commercial shipments, and from Business Window sites, where you may also submit completed forms.

For further information, read the document "Importer/Exporter Account Number" available on our web site at:

http://www.cbsc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Services&cid=1081944192249&lang=en or call the Canada Revenue Agency at 1-800-959-5525.

2. Find the HS Code applying to your products

The Harmonized System (HS) helps international trade by simplifying the requirements of customs administrations, trade statisticians, carriers and producers. The HS harmonizes trade documentation data and provides a common method of designating and coding commodities. It is meant to be incorporated as much as possible into commercial commodity description and coding systems. The basic system uses a 6-digit number to identify basic commodities. Each country is allowed to add additional digits for statistical purposes. You need to know your product's HS code in order to fill out your export declaration and to find out the duty rate that applies to your product in its country of destination.

Statistics Canada allows you to search by commodity code on their web site at http://www.statcan.ca/trade/scripts/trade_search.cgi. Another useful site to search for HS Codes is the Asia Pacific Economic Cooperation tariff database at <http://www.apectariff.org/>. The World Customs Organization also provides links to tariff information for countries around the world at <http://www.wcoomd.org/ie/index.html>. If additional information is required, contact the Canada Border Services Agency's Border Information Service (BIS) at 1-800-461-9999.

3. Report your exports

You report your exports by submitting prior to exportation, an export declaration, and when applicable, any required permits, certificates, or licenses for controlled, prohibited, or regulated goods. You can file your export declaration by using:

- **Canadian Automated Export Declaration (CAED) program:** an electronic method for reporting exports;
- **Form B13A, Export Declaration:** paper-based reporting method in which you complete Form B13A and submit a copy to customs prior to exporting each shipment; or
- **Summary reporting:** reserved for exporters of low-risk goods who export on a regular basis, and who have met specific customs requirements. It enables exporters to summarize required export data, which can be submitted on a monthly basis in writing, after the goods have left Canada.

You have to report your goods by filing an export declaration prior to export when:

- The goods are **valued at CAN \$2,000 or more**; and
- The final destination of the goods is a country **other than the United States**, Puerto Rico, or the U.S. Virgin Islands; or
- The goods are **controlled, prohibited, or regulated**

For more information, read “Exporting Goods from Canada: a Handy Customs Guide for Exporters” at: <http://www.cbsa.gc.ca/E/pub/cp/rc4116/README.html>.

In 2004, the Canada Border Services Agency (CBSA) implemented new regulations requiring **proof of report** prior to loading. Only goods which have been reported to the CBSA will be permitted to be exported. The following are the time frames for reporting exports (excludes summary reporting):

- shipments by air and rail - two hours before the goods are loaded
- marine shipments - 48 hours before the goods are loaded on the vessel
- highway shipments - prior to exit

More information about prior reporting can be found on the Canada Border Services Agency web site at <http://www.cbsa.gc.ca/export/letter-e.html>.

4. Get a certificate of origin

According to the Customs Act, every exporter of goods for which preferential tariff treatment under a free trade agreement is to be claimed, must certify in writing that the goods exported or to be exported to a NAFTA (Mexico, United States), CIFTA (Israel), CCRFTA (Costa Rica) or CCFTA (Chile) country meet the rules of origin as set out in the

related free trade agreement.

Copies of the certificates of origin can be downloaded on the Canada Border Services Agency's web site at: <http://www.cbsa-asfc.gc.ca/formspubs/topics/origin-e.html>. If additional information is required, contact the Canada Border Services Agency's Border Information Service (BIS) at 1-800-461-9999.

5. Get all required export permits from Canada

Exporting is one of the most controlled activities throughout the world. Export shipments must be accompanied by certain documents to leave Canada and to enter the country the goods are destined to. The Canada Border Services Agency helps other federal government departments by administering and enforcing regulations on their behalf. If you are exporting goods that are controlled or regulated, you have to submit the appropriate permit, certificate or license before you export them, regardless of the destination or value of the goods. The following list provides a general overview as to which items have controls placed on them and which department exporters should contact in order to meet the necessary requirements when goods are leaving the country:

Animals (live):

http://www.cbisc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Services&cid=1081944196492&lang=en

Under the Animal Health and Production Program, the Canadian Food Inspection Agency regulates the transportation of livestock and promotes codes of practice for the care and handling of farm animals. For more information, visit the web site:

<http://www.inspection.gc.ca/english/anima/heasan/heasane.shtml>.

Cultural Products:

http://www.cbisc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Regs&cid=1081944205184&lang=en

The Cultural Property Export and Import Act ensures the preservation of Canadian heritage by establishing export restrictions for objects of historical, scientific and cultural significance. For more information on applying for temporary or permanent export permits, please refer to the Canadian Heritage web site at

http://www.pch.gc.ca/progs/pcm-mcp/mcp_e.cfm.

Export Controls:

http://www.cbisc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Regs&cid=1081944151998&lang=en

The Export and Import Controls Bureau (EICB) of International Trade Canada authorizes the import and export of goods restricted by quotas and/or tariffs. It also monitors the

trade in certain goods and ensures the personal security of Canadians and citizens of other countries by restricting trade in dangerous goods and other materials. Goods falling under the Export Control List and products destined for the countries on the Area Control List will require a permit. Export controls exist on the following products:

- Agricultural products: refined sugar, sugar-containing products and peanut butter
- Textiles and clothing
- Military, strategic dual-use goods
- Nuclear energy materials and technology
- Missile, chemical or biological goods of non-proliferation concern
- Softwood lumber, unprocessed logs and certain other forest products
- Miscellaneous goods including goods of U.S.-origin, roe herring and certain items with medical value
- All goods destined for countries on the Area Control List: Myanmar

For more information, visit: <http://www.dfait-maeci.gc.ca/eicb/menu-en.asp>.

Firearms:

The import and export provisions in the Firearms Act Regulations are not yet in effect. The regulations are currently under review and some changes are expected to streamline procedures that were set out initially.

Until the import and export regulations come into force at a date that is still to be determined, Canadian businesses and individuals do not need an export permit for restricted and non-restricted firearms being exported to the US, but they need one for prohibited firearms. An export permit is required for all classes of firearms being exported to a country other than the US. Export permits are issued by the Export Controls Division of the International Trade Canada. For more information, visit the sites of the Export and Import Controls Bureau (EICB): <http://www.dfait-maeci.gc.ca/eicb/menu-en.asp> and of the Canadian Firearms Centre at: <http://www.cfc-ccaf.gc.ca/>. You can also read the Canada Customs Memorandum on exporting firearms at: <http://cbsa-asfc.gc.ca/E/pub/cm/d19-13-2/d19-13-2-e.html>.

Food:

Under the Canada Agricultural Products Act, the Canadian Food Inspection Agency's (CFIA) ensures that any honey, fresh produce, processed fruits and vegetables, fish and seafood, meat and poultry, dairy, egg products leaving the CFIA-inspected establishments is safe, meets standards and is appropriately labelled. The CFIA certifies that exported food meets foreign country requirements where there are reciprocal inspection/certification agreements with other countries. For more information, visit the CFIA's web site at: <http://www.inspection.gc.ca/english/toc/exporte.shtml>.

Hazardous Waste:

http://www.cbasc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Regs&cid=1081944204073&lang=en

All the requests for exporting or importing hazardous wastes or hazardous recyclable material must be submitted to Environment Canada's Transboundary Movement Branch: http://www.ec.gc.ca/tmb/eng/tmbhp_e.html.

Narcotics & Controlled Drugs:

http://www.cbasc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Regs&cid=1081944206081&lang=en

Any person wishing to manufacture, import, export, give, transport, send, deliver or distribute a narcotic must be a licensed dealer. A licensed dealer wanting to import or export a narcotic must also obtain a permit. An application for a narcotic license can be obtained by calling (613) 948-8542 and for an import and export permit can be obtained by calling (613) 957-1549 at Health Canada's Office of Controlled Substances. For more information, please visit the web site of the Office of Controlled Substances at http://www.hc-sc.gc.ca/home-accueil/contact/hecs-dgsec/ocs-bsc_e.html.

Nuclear Materials:

Through a stringent licensing process, the Canadian Nuclear Safety Commission (CNSC) regulates imports and exports of nuclear items and exports of nuclear-related dual-use items. For more information, visit CNSC's web site at: <http://www.nuclearsafety.gc.ca>.

Ozone-Depleting Substances and Products:

The exportation of controlled substances is prohibited, unless under authority of a permit issued by the Minister of the Environment. Products made with or containing CFCs or bromofluorocarbons can be exported. For a list of controlled substances, visit the CBSA's web site at: <http://www.cbsa.gc.ca/E/pub/cm/d19-7-2/README.html>. To obtain a permit, contact your local Environment Canada regional office (contacts available on-line at: http://www.ec.gc.ca/commentreg_e.html).

Plants and Wildlife:

http://www.cbasc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Regs&cid=1081944209885&lang=en

The Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act (WAPPRIITA) requires a permit for any trade involving a wild species protected by the Act unless it meets the conditions for a permit exemption. For more information on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and WAPPRIITA, you may visit the web site at: http://www.cites.ec.gc.ca/eng/sct0/index_e.cfm.

Rough Diamonds:

On January 1, 2003, the Kimberley Process Certification Scheme for international trade in rough diamonds was implemented to prevent the international movement of conflict or "blood" diamonds that are being used to fund rebel activities in various African countries. As a result, every person who exports rough diamonds must ensure that they are in a tamper-resistant container and that the container is accompanied by a Canadian Kimberley Process Certificate (KPC). For more information on the requirements of the Kimberley Process, contact NRCan at: (613) 996-0947 or visit: <http://www.nrcan.gc.ca/kimberleyprocess>.

Wheat and Barley:

http://www.cbasc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=Regs&cid=1081944206727&lang=en

Under the authority of the Canadian Wheat Board Act, the Canadian Wheat Board requires that all exports of wheat and barley products be authorized through the issuance of a Single or Multiple Shipment License or be covered under the Special Export License provisions. For more information on the Canadian Wheat Board, visit: <http://www.cwb.ca>.

6. Obtain other documents required by foreign customs

Exporters should also investigate trade regulations in foreign countries (i.e. required licenses, permits and/or certificates) prior to shipping any goods. Foreign customs administrations often provide useful information and publications on their web site. To find out which documents you need to clear customs in the country of arrival and the duties that may apply to your products, visit the World Customs Organization, the portal to access customs administrations web sites worldwide, available on-line at: <http://www.wcoomd.org/ie/index.html>.

A person wanting a grade and/or an export certificate (for his own protection or to meet a requirement of an importing country) for processed food products can submit a completed application to the Canadian Food Inspection Agency (CFIA). The Export Unit of the CFIA is also responsible for the issuance of Phytosanitary Certificates for all agricultural and forestry products exported to foreign countries. For more information, visit: <http://www.inspection.gc.ca/english/plaveg/intemat/internat.shtml>.

7. Keep books and records

As an exporter, you have to keep accurate books and records in Canada for six years after the end of the calendar year in which you export goods. You can keep these records on paper or electronically.

Important notice regarding the GST:

Exports are considered “zero-rated goods and services”: which means that you do not charge GST on your export sales if you deliver the goods or make them available to a purchaser outside Canada, but export sales are still part of your “worldwide taxable sales”. You need to take them into account when determining if you need to charge GST in Canada (charging GST becomes mandatory when your worldwide taxable sales are worth \$30,000 or more in the past four consecutive calendar quarters or in a single calendar quarter).

You are required, however, to have proof that the supply (sale) went out of Canada to support your claim for not charging tax on an invoice. The proof must enable departmental officers to track the entire shipment of tangible personal property from its origin in Canada to its destination outside Canada. The responsibility to maintain this evidence of export rests with the registered supplier (vendor). For this reason you will need to keep any:

- invoices
- purchase contracts
- transportation documents
- customs brokers’ invoices
- import documentation required by the country to which the goods are exported

For more information, visit: <http://www.cra-arc.gc.ca/E/pub/gp/rc4022/rc4022-17-e.html>.

Disclaimer:

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