

MEMORANDUM D6-2-6

**In Brief**

Ottawa, August 4, 2000

**SUBJECT**

**REFUND OF DUTIES AND TAXES  
ON NON-COMMERCIAL IMPORTATIONS**

This Memorandum has been revised to reflect organizational changes resulting from the implementation of the Canada Customs and Revenue Agency on November 1, 1999, and to include changes resulting from the Tariff Simplification and other general updates.

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Ottawa, August 4, 2000

## SUBJECT

### REFUND OF DUTIES AND TAXES ON NON-COMMERCIAL IMPORTATIONS

This Memorandum outlines and explains the procedures for the refund of duties, goods and services tax (GST), harmonized sales tax (HST), provincial sales tax (PST), provincial tobacco and alcohol taxes, and levies under the *Special Import Measures Act* (SIMA) for non-commercial importations brought into Canada by mail, courier, or carried by the traveller.

#### Statutory Instrument

##### Re-Determination of Travellers or Mail Importations After January 1998

Subparagraph 59(1)(a)(ii) of the *Customs Act* states that an officer, or any officer within a class of officers, designated by the Minister for the purposes of this section may re-determine the origin, tariff classification or value for duty of imported goods under section 58 at any time within one year after the date of the determination, if the Minister considers it advisable to make the re-determination. This section applies only to travellers and postal shipments. For courier or other non-commercial shipments, re-determinations fall under paragraph 74(1)(c.1) or (c.11) or (e), where applicable.

**Note:** Re-determination of claims submitted **prior to January 1998** will be processed under the old sections of the Act.

#### Legislation

##### *Customs Act*

##### Refund Requests

74. (1) Subject to this section, section 75 and any regulations made under section 81, a person who paid duties on any imported goods may, in accordance with subsection (3), apply for a refund of all or part of those duties, and the Minister may grant to that person a refund of all or part of those duties, if

- (a) they have suffered damage, deterioration or destruction at any time from the time of shipment to Canada to the time of release;
- (b) the quantity released is less than the quantity in respect of which duties were paid;
- (c) they are of a quality inferior to that in respect of which duties were paid;
- (c.1) the goods were exported from a NAFTA country or from Chile but no claim for preferential tariff treatment under NAFTA or no claim for preferential tariff treatment under the CCFTA, as the case may be, was made in respect of those goods at the time they were accounted for under subsection 32(1), (3) or (5);

(c.11) the goods were imported from Israel or another CIFTA beneficiary but no claim for preferential tariff treatment under CIFTA was made in respect of those goods at the time they are accounted for under subsection 32(1), (3) or (5);

(d) the calculation of duties owing was based on a clerical, typographical or similar error;

(e) the duties were paid or overpaid as a result of an error in the determination under subsection 58(2) of origin (other than in the circumstances described in paragraph (c.1) or (c.11), tariff classification or value for duty in respect of the goods and the determination has not been the subject of a decision under any of sections 59 to 61;

(f) [not applicable to non-commercial goods];

(g) the duties were overpaid or paid in error for any reason that may be prescribed.

(1.1) The granting of a refund under paragraph (1) (c.1), (c.11), or (e) or (f), if the refund is based on tariff classification, value for duty or origin under paragraph (1)(g) is to be treated for the purposes of this Act, other than section 66, as if it were a re-determination made under paragraph 59 (1)(a).

(2) No refund shall be granted under any of the paragraphs 1(a) to (c) and (d) in respect of a claim unless written notice of the claim and the reason for it is given to an officer within the prescribed time.

(3) No refund shall be granted under subsection (1) in respect of a claim unless

(a) the person making the claim affords an officer reasonable opportunity to examine the goods in respect of which the claim is made or otherwise verify the reason for the claim; and

(b) an application for the refund, including such evidence in support of the application as may be prescribed, is made to an officer in the prescribed manner and in the prescribed form containing the prescribed information within

(i) in the case of an application for a refund under paragraph (1)(a), (b), (c), (c.11), (d), (e), (f) or (g), four years after the goods are accounted for under subsection 32 (1), (3) or (5), and

(ii) in the case of an application for a refund under paragraph (1)(c.1), one year after the goods were accounted for under subsection 32(1), (3) or (5) or such longer period as may be prescribed.

(4) A denial of an application for a refund of duties paid on goods is to be treated for the purposes of this Act as if it were a re-determination under paragraph 59(1)(a) if

(a) the application is for a refund under paragraph (1)(c.1) or (c.11) and the application is denied because at the time the goods were accounted for under subsection 32(1), (3) or (5), they were not eligible for preferential tariff treatment under a free trade agreement; or

(b) the application is for a refund under paragraph (1)(e), (f) or (g) and the application is denied because the origin, tariff classification or value for duty of the goods as claimed in the application is incorrect.

(5) For greater certainty, a denial of an application for a refund under paragraph (1)(c.1), (c.11), (e), (f) or (g) on the basis that complete or accurate documentation has not been provided, or on any ground other than the ground specified in subsection (4), is not to be treated for the purposes of this Act as if it were a re-determination under this Act of origin, tariff classification or value for duty.

### **Refund for Defective Goods**

76. (1) Subject to any regulations made under section 81, the Minister may, in such circumstances as may be prescribed, grant to any person by whom duties were paid on imported goods that are defective, are of a quality inferior to that in respect of which duties were paid or are not the goods ordered, a refund of the whole or part of the duties paid thereon if the goods have, subsequently to the importation, been disposed of in a manner acceptable to the Minister at no expense to Her Majesty in right of Canada or exported.

(2) Subsections 74 (2) and (3) and 75 (1) apply, with such modifications as the circumstances require, in respect of refunds under this section.

### **Denial of a Claim**

If a travellers/postal claim is denied, it is to be returned to the importer with a letter advising them of the reasons for denial and their rights to appeal, as follows:

60. (1) A person to whom notice is given under subsection 59(2) in respect of goods may, within ninety days after being given the notice, request a re-determination or further re-determination of origin, tariff classification or value for duty. The request may be made only after all amounts owing as duties and interest in respect of the goods are paid or security satisfactory to the Minister is given in respect of the total amount owing.

(3) A request under this section must be made to the Commissioner in the prescribed form and manner, with the prescribed information.

(4) On receipt of a request under this section, the Commissioner shall, without delay,

(a) re-determine or further re-determine the origin, the tariff classification or value for duty;

(b) affirm, revise or reverse the advance ruling; or

(c) re-determine the marking determination.

(5) The Commissioner shall without delay give notice of a decision made under subsection (4), including the rationale on which the decision is made, to the person who made the request.

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## **GUIDELINES AND GENERAL INFORMATION**

### **Definitions**

1. (a) "Refund of duties and taxes on non-commercial importations" means, for the purpose of this document, the Casual Refund Centre (CRC) will authorize refunds of duties, GST/HST, provincial taxes, and/or SIMA levies where goods imported have been subsequently exported, or where determination, re-determination, re-classification, or re-appraisal of goods is being requested, or where duties and taxes have been overpaid or paid in error.

(b) "Non-commercial importations" are defined as goods for individual use, not intended for resale, commercial, industrial, occupational, institutional, or other like use.

(c) "*Customs Postal Import Form*" (Form E14) is the document used to control importations arriving through the mail and to assess duty and tax liability.

(d) "*Casual Goods Accounting Document*" (Form B15) is a customs form used to account for goods acquired by travellers entering Canada from abroad.

(e) "*Customs Informal Adjustment Request*" (Form B2G) is the document used to request an adjustment or refund for duty and tax paid on non-commercial goods which have been imported by mail, courier, or on an individual traveller's declaration.

(f) "Casual Refund Centre" (CRC) is the term used to describe the Canada Customs and Revenue Agency (CCRA) customs office where Form B2G is processed. The CRCs have the authority to refund, where applicable, any duties, GST/HST, provincial taxes, and SIMA levies which were collected upon importation. The CRCs are listed on the back of Form B2G as well as on the back of Form E14.

## **Requesting a Refund**

2. An importer may request a refund of duties and taxes using Form B2G for non-commercial duty and tax paid importations brought into Canada by mail, courier, or carried by the traveller. Copies of the form are available at customs offices or can be found on the reverse side of Form E14 for postal importations. It is also acceptable for the importer to write to the CCRA requesting a refund or adjustment and giving the reason for such a request.

## **Completion of Form B2G**

3. All information on Form B2G must be completed according to the instructions on the reverse side of the form. A sample copy of Form B2G can be found in Appendix A. The importer's signature must appear on either Form B2G or the accompanying correspondence requesting a refund of duties and taxes paid.

4. For postal importations, a copy of Form B2G can be found on the reverse side of Form E14 (see Appendix B).

5. If the request for refund is submitted by a person other than the importer, a letter signed by the importer authorizing the person to act as an agent, or a power of attorney, must be included with the claim as supporting documentation.

6. Agents or brokers who wish to submit claims on behalf of the importer (addressee), and are representing a foreign catalogue or direct sales company, are requested to confirm procedures with the CCRA before presenting any claims. Please write to the Manager of Postal, Courier and Casual Refund Program, Ottawa ON K1A 0L5, or call (613) 952-9486.

## **Supporting Documentation**

7. The importer must attach to Form B2G the original accounting document showing the amount of duties and taxes paid at the time of importation. In the case of travellers, attach Form B15 indicating the amount of duties and taxes paid. For postal importations, Form E14 is used, and for courier non-commercial importations, a receipt is provided by the courier to the importer indicating the amount of duties and taxes paid.

8. Documents supporting the request for a refund or adjustment must be attached to Form B2G. The following are examples of acceptable documentation:

(a) where after duties and taxes were paid, and the goods were returned to the exporter; either a credit note or equivalent from the exporter or vendor showing that the importer's account was credited for the return of the goods, or any other proof that the goods were exported. For example, a bill of lading, a receipt, or other document that describes the goods and gives the date of export. In some cases, a credit note may need to be supported with proof that the goods were exported from Canada;

(b) where the value of the goods is incorrect; proof of the correct value, such as an invoice from the exporter or vendor;

(c) where the goods were classified incorrectly or the wrong tariff treatment was applied; proof of the origin of goods such as invoices or purchase orders that provide a complete description and origin of the goods;

(d) where the goods were damaged before release from customs; proof from the exporter or shipper that the goods were damaged during shipping; or

(e) when the quantity or quality of goods delivered was less than claimed; proof from the exporter or vendor such as a credit note or equivalent showing the quantity shipped or describing the goods that were actually sent.

9. For more details concerning the conditions for refunds and documentation requirements, please refer to Appendix C.

### **Presentation**

10. An application for a refund must be made within one year for travellers and postal re-determination/value/origin claims which fall under subparagraph 59(1)(a)(ii) of the *Customs Act* and four years for section 74 or 76 (other reasons) from the date of the original importation.

11. The request for the refund or adjustment should be presented to the CRC closest to the importer's address. The addresses of the CRC are shown on the back of Form B2G. However, if an application is received in another office, the receiving office will forward the application to the appropriate refund centre.

### **Authorized Refunds**

12. The CRCs are authorized to refund, where applicable, all or part of the duties, taxes, GST/HST, SIMA levies as well as provincial sales tax and tobacco tax that were paid at the time of importation.

13. The *Importation of Intoxicating Liquors Act* states that all individuals entering a province where an agreement exists must pay the liquor mark-up/levies applicable in the province of importation, regardless of the final province of destination. Provincial alcohol mark-ups/levies collected at time of importation will only be refunded when an error in calculation occurs which results in an overpayment of taxes or when duty-paid unconsumed alcohol is exported.

14. All refunds will be made payable to the importer to whom the goods were originally consigned.

### **Refund of Handling Fees**

15. The \$5 handling fee assessed on postal shipments will be refunded only when it has been determined that the goods should have been duty-free and tax-exempt at time of importation. The CCRA will not refund any part of the \$8 handling fee for priority post items or any broker's fees or shipping or handling fees.

### **Interest**

16. Interest will be payable on the amount of duties and taxes being refunded. If a refund is granted under subparagraph 59(1)(a)(ii) of the *Customs Act* (re-determination of tariff classification, origin, or value of goods), interest will be computed at the prescribed rate for the period beginning on the first day after the amount was duty paid and ending on the day the refund is given. If a refund is granted under any other section of the *Customs Act* (e.g., goods returned) interest at the prescribed rate will be granted for the period beginning on the 91st day after the day the application for refund is received and ending on the day the refund is granted. Interest will not be paid on provincial sales taxes, tobacco taxes, and alcohol mark-ups/levies.

### **Voluntary Entries**

17. Where importers find that insufficient duties and taxes were assessed on their non-commercial postal, courier, or traveller declarations, an adjustment to the original assessment may be submitted on Form B2G.

18. Form B2G may be used to show the proper duty and taxes that should have been collected and must be accompanied by the original customs accounting documentation, i.e., Form E14, Form B15, or courier receipt. The claim should be submitted to the nearest CRC listed on Form B2G.

## Appeal Process

19. If an importer's refund or adjustment request under subparagraph 59(1)(a)(ii) or paragraph 59(1)(b) of the *Customs Act* (re-determination of tariff classification, origin, or value of travellers or postal goods) is denied by the CRC, the importer may appeal this decision. This can be done by writing to the Commissioner at the address shown on the letter of denial. A copy of the letter of denial as well as additional supporting documentation for grounds for appeal should be included. The appeal must be presented within 90 days of the date of the letter of denial or, in cases where the Minister deems it advisable, within two years of the original date of importation (see Appendix D).

20. If the importer does not agree with a decision to deny a refund or adjustment that falls under other sections of the *Customs Act* (other than shown in paragraph 19) or under the *Customs Tariff*, the importer may submit a new application along with appropriate supporting documentation to the originating CRC for review and re-processing under the original provisions of the *Customs Act*.

## Data Transmission of Casual Refund Claims

21. The CCRA has developed a streamlined process for casual refund claims which are prepared by brokers or agents who are acting on behalf of the importer. This system is called the Casual Refund Electronic Data Interchange Transaction System (CREDITS). It applies to refunds for which brokers or agents representing a foreign catalogue or direct sales company have originally accounted for the goods on a formal B3 import document and the goods were subsequently returned to the company. CREDITS allows the authorized brokers or agents to electronically transmit certain key information to a CRC. The CRC will issue a refund cheque in the name of the importer. Where requested, cheques will be deposited directly into the brokers/agents account who will in time provide the importer with the refund.

22. The streamlined process allows the transmission of minimal data on the basis that original records of the import and export transaction are maintained by the broker or agent. The CCRA will conduct verification checks on the broker by asking for the original import and export documentation to be presented to the requesting CRC within an acceptable period of time following the request. An audit may be performed by the CCRA on the applicant's books.

23. Those brokers or agents wishing to participate in the CREDITS program must first submit an application (see Appendix E) to participate in the Electronic Data Interchange (EDI) process to the Manager of Postal, Courier and Casual Refund Program at the following address:

Postal, Courier and Casual Refund Program  
Customs Branch  
Canada Customs and Revenue Agency  
Ottawa ON K1A 0L5

Telephone: (613) 952-9486

24. Upon receipt, the Postal, Courier and Casual Refund Program will review the application and contact the designated CRC to conduct an analysis of workload. Once the application is approved, arrangements will be made between the CCRA and the applicant for on-site system testing. When the testing is complete, the applicant may begin electronically filing casual refund claims.





## INSTRUCTIONS

### PART A — Importer Information

- Field 1: Print your full name and address.
- Field 2: Provide your telephone number(s) in order that customs may contact you, if necessary, for further information.
- Field 3: Provide the Customs Import Receipt Number from the Customs Postal Import Form or the Casual Goods Accounting Form or from a courier receipt. You must attach the original import document.
- Field 4: Fill in the date of importation of the goods.
- Field 5: Provide a description of the goods in question.
- Field 6: Check the reason for requesting the refund/adjustment:
- (a) If the goods were exported, attach proof of export (i.e. credit note from the vendor or bill of lading).
  - (b) If the value was incorrectly assessed, indicate the proper value and attach invoices from the vendor which show the correct value.
  - (c) For goods incorrectly described or classified, indicate the proper description of the goods and attach any descriptive literature of the goods. If known, indicate the proper classification number.
  - (d) If you are requesting a refund for another reason, please specify the reason (example, goods short-shipped, goods damaged prior to release from customs) and attach the invoices or other documents to support your claim.
- Field 7: Provide a brief explanation of your request.
- Field 8: Please sign and date the request form.

## INSTRUCTIONS

### PARTIE A — Information concernant l'importateur

- Zone 1 : Inscrivez votre nom et adresse au complet.
- Zone 2 : Indiquer vos numéros de téléphone afin que les douanes puissent communiquer avec vous pour de plus amples renseignements, s'il y a lieu.
- Zone 3 : Fournir le numéro de reçu d'importation des douanes de la Formule douanière des importations postales ou la Déclaration en détail des marchandises occasionnelles, ou le reçu d'un service de messagerie. Vous devez joindre le document d'importation original.
- Zone 4 : Indiquer la date d'importation des marchandises.
- Zone 5 : Fournir une description des marchandises en question.
- Zone 6 : Cocher la raison de la demande de remboursement ou de rajustement :
- a) Si la marchandise a été exportée, fournir une preuve d'exportation (par exemple note de crédit du vendeur, connaissance).
  - b) Si la valeur a été incorrectement évaluée, indiquer la bonne valeur et joindre les factures du fournisseur indiquant la valeur réelle.
  - c) Pour la marchandise incorrectement décrite ou classifiée, indiquer la bonne description et joindre tout document décrivant la marchandise. Si disponible, indiquer le numéro de classification.
  - d) Vous demander un remboursement pour une autre raison, préciser cette raison (par exemple marchandise manquante, marchandise endommagée avant la mainlevée par les douanes), et joindre les factures ou autres documents supportant votre demande.
- Zone 7 : Fournir une brève explication concernant votre demande.
- Zone 8 : Veuillez signer et dater votre demande de remboursement.

**Mail your refund application to the nearest Customs Refund Centre (addresses below).**

**Poster votre demande de remboursement au Centre de remboursement des douanes le plus proche (adresses ci-dessous).**

**Customs Refund Centre  
Centre de remboursement des douanes  
530-266 Graham Avenue  
Winnipeg MB R3C 0J8**

**Customs Refund Centre  
Centre de remboursement des douanes  
685 Hamilton Street  
Vancouver BC V6B 2R4**

**Centre de remboursement des douanes  
Customs Refund Centre  
C.P. 1454  
555, McArthur  
Ville St-Laurent QC H4T 1A0**

**Customs Refund Centre  
Centre de remboursement des douanes  
P.O. Box 3080, Station Park Lane  
1557 Hollis Avenue  
Halifax NS B3J 3G6**

**Customs Refund Centre  
Centre de remboursement des douanes  
2724 Roxburgh Road, Unit 2  
London ON N6N 1K9**

**Canada**  
Canada Customs  
and Revenue Agency  
Agence des douanes  
et du revenu du Canada

**CUSTOMS POSTAL IMPORT FORM**  
**FORMULAIRE DOUANIER DES IMPORTATIONS POSTALES**

1 Issue date - Date d'omission 2 Inventory No. - N° d'inventaire

3 Importer's name and address  
Nom et adresse de l'importateur

4 Classification No. / Description  
N° de classement / Description

5 Value for duty (CANS)  
Valeur en douane (S CAN)

6 Rate - Taux

7 Excise tax  
Taxe d'accise

8 GST/ST  
TPS/TVH

9 PST - TVP

10 Duty - Droit

11 Excise tax  
Taxe d'accise

12 GST/ST  
TPS/TVH

13 PST - TVP

14 Handling fee  
Frais de  
manutention

15 Total payable  
Total à payer

16 Exporter's name and country - Nom et pays de l'exportateur

17 Bagge No. - N° de matricule

18 Invoice No. - N° de la facture

19 Exchange rate - Taux de change

20 Customs' telephone No. - N° de téléphone de la douane

21 Message

22 Complete at delivery attempt - À compléter lors de la tentative de livraison

23 Importer's payment options - Méthode de paiement de l'importateur

24 Card number - Numéro de la carte

Payment to Canada Post Corporation  
Paiement à la Société canadienne des postes

Part 1: Importer's copy - Partie 1 : Copie de l'importateur

Press  
Appuyer

GPC's data entry and outlet copies - parts 2 and 3 (grasp & pull)  
Copies des données de la SCP et ses points de vente - partie 2 et 3 (tenir et tirer)

**Requesting refund of duties and taxes on non-commercial importations  
Remboursement des droits et des taxes sur les importations non-commercial**

B2G (00/06)

Instructions	
<b>A</b>	<p>1. Please check the reason for request below in Box B and indicate the amount of duties and taxes to be refunded in Box C.</p> <p>2. The Canada Customs and Revenue Agency (CCRA) requires that you provide all necessary documentation, such as credit notes or invoices, to support your request for a refund.</p> <p>3. Write the date and your telephone number, and sign this form in Box C.</p> <p>4. Mail the form to the nearest Customs Refund Centre (addresses below).</p> <p>5. The handling fee is for data entry, material handling, and collection services provided by Canada Post Corporation as prescribed by the CCRA.</p> <p><b>Note:</b> The handling fee is only refundable when the goods should have been duty free and tax exempt at time of importation.</p>
<b>B</b>	<p>1. Cochez la raison pour laquelle la demande est faite à la case B ci-dessous et indiquez le montant du remboursement demandé à la case C.</p> <p>2. L'Agence des douanes et du revenu du Canada (ADRC) exige que vous produisiez tous les documents (notes de crédit, factures, etc.) étayant votre demande de remboursement.</p> <p>3. Écrivez la date et votre numéro de téléphone, et signez le formulaire à la case C.</p> <p>4. Postez le formulaire au Centre de remboursement des douanes le plus proche (adresses ci-dessous).</p> <p>5. Les frais de manutention représentent les services de saisie de données, de manutention du matériel et de recouvrement que fournit la Société canadienne des postes, conformément aux exigences de l'ADRC.</p> <p><b>Nota :</b> Les frais de manutention ne sont remboursables que si les marchandises auraient dû être exonérées de droits et de taxes au moment de l'importation.</p>

Reason for refund request - Raison de la demande de remboursement	
<input type="checkbox"/>	<p><b>Goods returned to sender/exporter - Marchandise retournée à l'expéditeur ou exportée</b> If you have returned your goods to the sender, a credit note or proof of export to show that the goods have left Canada must be included with this claim. Si la marchandise a été retournée à l'expéditeur, incluez une note de crédit ou un document d'exportation prouvant que la marchandise est sortie du Canada.</p>
<input type="checkbox"/>	<p><b>Goods classified or described incorrectly - Marchandise mal classée ou mal désignée</b> If the goods are classified incorrectly, please attach an invoice or descriptive literature which indicates type or make of the goods. Si la marchandise a été mal classée, joignez la facture ou un document publicitaire la décrivant (nature et marque).</p>
<input type="checkbox"/>	<p><b>Incorrect value assessed (should be) / Cotisation mal établie (devrait être de) \$ _____</b></p>
<input type="checkbox"/>	<p><b>Other (please specify) _____</b> If necessary, attach additional supporting documents. • Joignez des documents à l'appui supplémentaires, s'il y a lieu.</p>
<b>C</b>	<p><b>Refund requested - Remboursement demandé</b> Amount of refund requested - Montant demandé</p> <p align="right">\$ _____</p>
	<p>Date ▲ _____</p> <p>Signature ▲ _____</p> <p>Day - Jour _____</p> <p>Evening - Soir _____</p> <p>Telephone numbers - Numéros de téléphone _____</p>

**Mail this request to the nearest Customs Refund Centre (addresses below).  
Postez cette demande au Centre de remboursement des douanes le plus proche (adresses ci-dessous).**

<p>Customs Refund Centre Centre de remboursement des douanes 1557 rue Hollis Street P.O. Box - C.P. 3080, Station Park Lane HALIFAX NS B3J 3G6</p>	<p>Centre de remboursement des douanes Customs Refund Centre C.P. - P.O. Box 1434, 355, McArthur ST-LAURENT QC H4T 1A0</p>	<p>Customs Refund Centre Centre de remboursement des douanes 2724 chemin Roxburgh Road, Unit - Unité 2 LONDON ON N6N 1K9</p>	<p>Customs Refund Centre Centre de remboursement des douanes 530 - 266 avenue Graham Avenue WINNIPEG MB R3C 0J8</p>	<p>Customs Refund Centre Centre de remboursement des douanes 685 rue Hamilton Street VANCOUVER BC V6B 2R4</p>
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APPENDIX C

<b>CASUAL REFUND CENTRE REFUND GUIDELINES</b>			
<b>TYPE OF REFUND</b>	<b>LEGISLATION</b>	<b>CONDITIONS</b>	<b>REQUIREMENTS</b>
Damaged, Deteriorated Goods	<i>Customs Act</i> paragraph 74(1)(a)	<ul style="list-style-type: none"> <li>• goods remain in Canada</li> <li>• value is reduced by appraisal or credit;</li> <li>• adjustment request must be presented within 4 years if goods are duty paid after January 1, 1998; 2 years if before January 1, 1998 (GST refundable up to 4 years)</li> </ul>	<ul style="list-style-type: none"> <li>• adamage report or customs report on damaged goods;</li> <li>• a credit note or copy from he exporter of any document relating to a refund or credit given by the exporter (i.e., Visa, MC);</li> <li>• proof of loss in value of the goods as a result of the damage, deterioration, or destruction of the goods;</li> <li>• as a result of damage, a written statement by a carrier or an operator of a warehouse to certify that the goods suffered damage, deterioration, or destruction prior to release by customs.</li> </ul>
Shortage of Goods (Duty Paid on Full Quantity)	<i>Customs Act</i> paragraph 4(1)(b)	<ul style="list-style-type: none"> <li>• goods do not arrive in Canada;</li> <li>• quantity released is less than uantity in respect of which duty and taxes were paid;</li> <li>• adjustment request must be presented within 4 years if goods are duty paid after January 1, 1998; 2 years if before January 1, 1998 (GST refundable up to 4 years).</li> </ul>	<ul style="list-style-type: none"> <li>• a credit note from the exporter for goods which were not subsequently shipped;</li> <li>• a written statement from the carrier or operator of a warehouse verifying the deficiency in quantity of the goods;</li> <li>• any supporting documents containing sufficient details to clearly determine the value for duty of the short goods.</li> </ul>
Inferior Quality	<i>Customs Act</i> paragraph 74(1)(c)	<ul style="list-style-type: none"> <li>• goods remain in Canada;</li> <li>• goods are inferior in quality than those ordered;</li> <li>• adjustment request must be presented within 4 years if goods are duty paid after January 1, 1998; 2 years if before January 1, 1998 (GST refundable up to 4 years).</li> </ul>	<ul style="list-style-type: none"> <li>• a written statement from the exporter which clearly indicates the amount of refund or credit given due to the inferiority of the product.</li> </ul>

<b>CASUAL REFUND CENTRE REFUND GUIDELINES</b>			
<b>TYPE OF REFUND</b>	<b>LEGISLATION</b>	<b>CONDITIONS</b>	<b>REQUIREMENTS</b>
NAFTA/CCFTA	<i>Customs Act</i> paragraph 74(1)(c.1)	<ul style="list-style-type: none"> <li>• no duties apply as the goods are from a NAFTA country or from Chile and a re-determination of tariff treatment is requested;</li> <li>• no claim for preferential treatment has been previously made;</li> <li>• adjustment request must be presented within 1 year.</li> </ul>	<ul style="list-style-type: none"> <li>• invoice or statement from the vendor indicating goods are of U.S., Mexican, or Chilean origin or both;</li> <li>• Exporter's Certificate of Origin; or other acceptable information indicating the goods are not manufactured outside the U.S., Mexico, Chile, or Canada.</li> </ul>
Overpayment of Duties/Duties Paid in Error	<p>NEW <i>Customs Act</i> paragraph 74(1)(g) goods must have a duty-paid date after January 1, 1998</p> <p>OLD <i>Customs Act</i> paragraph 74(1)(c.2) goods must have a duty-paid date prior to January 1, 1998</p>	<ul style="list-style-type: none"> <li>• adjustment request must be presented within 4 years;</li> <li>• duties and taxes paid in error;</li> <li>• duty rate changes but no change in tariff classification, value, or origin;</li> <li>• duplicate payment.</li> </ul>	<ul style="list-style-type: none"> <li>• copies of customs accounting documents, invoices, or letter explaining reason for overpayment;</li> <li>• documentation indicating the incorrect duty rate was used for calculation of duty;</li> <li>• proof of duplicate payment by producing copies of customs accounting documents showing duties and taxes were paid twice.</li> </ul>
CIFTA	<i>Customs Act</i> paragraph 74(1)(c.11)	<ul style="list-style-type: none"> <li>• no duties apply as the goods qualify for tariff treatment under the Canada-Israel Free Trade Agreement;</li> <li>• adjustment request must be presented within 4 years if duty-paid date is after January 1, 1998; 2 years if before January 1, 1998 (GST refundable up to 4 years).</li> </ul>	<ul style="list-style-type: none"> <li>• an invoice or a statement by the vendor indicating that the goods originate in that country;</li> <li>• a certificate of origin from the exporter.</li> </ul>
Clerical Error	<p>NEW <i>Customs Act</i> paragraph 74(1)(d) after January 1, 1998</p> <p>OLD <i>Customs Act</i> paragraph 74(1)(c.2) prior to January 1, 1998</p>	<ul style="list-style-type: none"> <li>• calculation errors;</li> <li>• clerical errors on accounting documents/invoices;</li> <li>• exchange rate in error;</li> <li>• adjustment request must be presented within 4 years.</li> </ul>	<ul style="list-style-type: none"> <li>• originals of customs accounting documents, invoices, or letter explaining reason for errors.</li> </ul>

**CASUAL REFUND CENTRE  
REFUND GUIDELINES**

TYPE OF REFUND	LEGISLATION	CONDITIONS	REQUIREMENTS
Goods Returned to Sender/ Exported	<i>Customs Act</i> subsection 76(1) claims after January 1, 1998 must be submitted within 4 years claims before January 1, 1998, must be submitted within 2 years,	<ul style="list-style-type: none"> <li>• goods must be exported from Canada;</li> <li>• goods are not according to order;</li> <li>• goods returned to sender for other reasons.</li> </ul>	<ul style="list-style-type: none"> <li>• a credit note or any supporting documents to indicate that credit from the exporter or vendor has been given to the importer;</li> <li>• a written statement by the exporter of the goods confirming that the goods have been returned;</li> <li>• a completed Form E15, <i>Proof of Export or Destruction</i>.</li> </ul>
Tariff Classification, Value for Duty, and Origin	NEW <i>Customs Act</i> subparagraph 59(1)(a)(ii) applies to goods with a duty-paid date after January 1, 1998	<ul style="list-style-type: none"> <li>• applies to <b>postal and traveller claims only</b>;</li> <li>• changes to tariff classification, value, or origin such as tourist exemptions, goods to follow (9804.20), settlers' effects/returning residents, wrong tariff classification assessed;</li> <li>• must be presented within 1 year.</li> </ul>	<ul style="list-style-type: none"> <li>• invoice/documents indicating information such as a proper description of the goods, quantity, country of origin, date of sale; and/or descriptive or illustrative literature;</li> <li>• an original Form E24, <i>Personal Exemption Customs Declaration</i>, used to document goods to follow;</li> <li>• an original Form Y38, <i>Identification of Article for Temporary Exportation</i>, used to identify Canadian goods being taken out of the country by a traveller and which will be returned;</li> <li>• written evidence of value such as commercial invoices, credit notes, agreement of sale, purchase order confirmation.</li> </ul>

**APPENDIX D**

<b>CONDITIONS TO APPEAL DECISIONS MADE BY THE CASUAL REFUND CENTRES</b>			
<b>TYPE OF REFUND</b>	<b>LEGISLATION</b>	<b>CONDITIONS</b>	<b>REQUIREMENTS</b>
Appeals on Tariff Classification, Value for Duty, and Origin (other than NAFTA, CCFTA, and CIFTA)	<i>Customs Act</i> section 60 applies to importations dated after January 1, 1998	<ul style="list-style-type: none"> <li>• must be presented within 90 days to CITT;</li> <li>• subparagraph 59(1)(a)(ii) or paragraph 59(1)(a) applies to appeals on decisions under the <i>Customs Act</i>;</li> <li>• must be processed in the Appeals Branch.</li> </ul>	<ul style="list-style-type: none"> <li>• any further documentation that would offer evidence that an incorrect assessment had been made.</li> </ul>
Appeals on Tariff Classification, Value for Duty	OLD <i>Customs Act</i> subsection 60(3) applies to importations before January 1, 1998	<ul style="list-style-type: none"> <li>• Changes to tariff classification include: tourist exemptions, goods to follow (9804.20), settlers' effects/returning residents, wrong tariff assessed;</li> <li>• adjustment request must be presented within 2 years (GST refundable up to 4 years).</li> </ul>	<ul style="list-style-type: none"> <li>• invoice/documents indicating information such as a proper description of the goods, quantity, country of origin, date of sale; and/or descriptive or illustrative literature;</li> <li>• an original Form E24;</li> <li>• an original Form Y38;</li> <li>• written evidence such as commercial invoices, credit notes, agreement of sale, purchase order confirmation.</li> </ul>

# APPENDIX E

## AGREEMENT TO ELECTRONICALLY PROCESS CASUAL REFUND CLAIMS

## ACCORD POUR TRANSMETTRE ÉLECTRONIQUEMENT DES DEMANDES DE REMBOURSEMENT

### Part 1 ► Scope of the agreement / Partie 1 ► Portée de l'accord

This document represents an agreement between the Canada Customs and Revenue Agency and the said broker authorizing the applicant to submit an electronic casual refund claim in accordance with the conditions outlined in this agreement.

Le présent accord entre l'Agence des douanes et du revenu du Canada et le courtier mentionné ci-dessous autorise celui-ci à présenter électroniquement une demande de remboursement selon les conditions qui sont précisées dans cet accord.

<b>A</b> Name of Broker-Nom du courtier	Account Security Number Numéro du compte-garantie
Address - Adresse	
Primary Contact Person - Première personne-ressource	Tel. No. - N° de tél.
Secondary Contact Person - Deuxième personne-ressource	Tel. No. - N° de tél.

<b>B</b> Name of Mail Order Company Represented - Nom de l'entreprise de vente par correspondance représentée	
Address - Adresse	
Contact Person(s) - Personne(s)-ressource(s)	Tel. No. - N° de tél.
	Tel. No. - N° de tél.

### Part 2 ► Conditions

Definitions: *CCRA means the Canada Customs and Revenue Agency; Applicant means the authorized Canadian customs broker; Claims means non-commercial refund applications under Section 76 of the Customs Act.*

Définitions: *Agence s'entend de l'Agence des douanes et du revenu du Canada; Demandeur s'entend du courtier canadien autorisé; Réclamations s'entend des demandes de remboursement présentées à l'égard d'importations non commerciales, en vertu de l'article 76 de la Loi sur les douanes.*

- The applicant is required to have power of attorney to account for the duty and taxes to the CCRA and to file B2G refund claims on behalf of importers of casual mail order goods. Power of attorney is also required should brokers wish to have the refund cheques redirected to their address. In this situation, brokers should also ensure that the power of attorney from the customer authorizes them to endorse the refund cheques issued in the customer's name. A copy of these powers of attorney should be attached to this application.
- An electronic casual refund claim, in the specified format, shall be transmitted to a designated casual refund centre.
- The original import and export documents related to each claim electronically presented shall be retained by the applicant.
- The CCRA may select any refund from the electronic refund claim and request from the applicant the original import and export documents for verification purposes, and present such documentation within an acceptable period of time after the date of the request.
- An audit may be performed by the CCRA and related costs may be payable by the applicant.
- The applicant agrees to comply with the requirements as detailed in the Electronic Casual Refund Participants Requirements document.
- If the power of attorney is terminated between the broker and the client, the CCRA must be advised immediately.
- The CCRA reserves the right to terminate this agreement if the conditions of the agreement are not met.

- Le demandeur doit avoir la procuration requise s'il désire rendre compte à l'Agence des droits et des taxes, et présenter des demandes de remboursement B2G au nom d'importateurs de marchandises occasionnelles commandées par correspondance, ou s'il désire que les chèques de remboursement soient envoyés à son adresse. Le cas échéant, le courtier devra s'assurer que la procuration du client l'autorise à endosser les chèques émis au nom de ce client. Des exemplaires des procurations en question doivent être annexés à la présente demande.
- Toute demande de remboursement électronique doit être transmise, dans la forme spécifiée, au centre de remboursement pour importations occasionnelles qui aura été désigné à cette fin.
- Le demandeur doit conserver les documents d'importation et d'exportation originaux pour chacune des réclamations présentées électroniquement.
- L'Agence se réserve le droit de choisir au hasard certaines des réclamations que vise la demande de remboursement et d'exiger que le demandeur lui présente les documents d'importation et d'exportation originaux nécessaires à la vérification, dans un délai raisonnable suivant la date de la demande.
- L'Agence peut procéder à une vérification en règle et exiger que le demandeur paie les frais connexes.
- Le demandeur accepte de se conformer aux exigences détaillées dans le document «Exigences des demandeurs» du programme des demandes de remboursement électronique.
- Si le client décide d'annuler la procuration donnée au courtier, l'Agence devra en être avisée immédiatement.
- L'Agence se réserve le droit de mettre fin à l'accord si le demandeur ne respecte pas les conditions qui y sont précisées.

### Part 3 ► Questionnaire

1. Number of returns expected in one year: (Based on actual return figures) Nombre de demandes prévues au cours d'une année: (Selon les données réelles sur les marchandises retournées)	3. Number of times expected to transmit on a weekly basis: Nombre de transmissions prévues par semaine:
2. Where will the claims be transmitted from: De quelle adresse les réclamations seront-elles transmises:	<input type="checkbox"/> Once / Une <input type="checkbox"/> Twice / Deux <input type="checkbox"/> Other (Please specify) / Davantage (Veuillez préciser) _____
<input type="checkbox"/> Same as Part 1 / De l'adresse indiquée à la partie 1 <input type="checkbox"/> Other: / Autre: ► Name and Address - Nom et adresse _____	4. On which days would you prefer to transmit: Jours préférés pour la transmission:
5. To which casual refund centre would you prefer to transmit your claims: (Please number your top three preferences.) Cuel est le centre de remboursement pour importations occasionnelles auquel vous aimeriez transmettre vos réclamations? (Veuillez choisir trois centres et les numéroter par ordre de préférence.)	<input type="checkbox"/> Monday / Lundi <input type="checkbox"/> Tuesday / Mardi <input type="checkbox"/> Wednesday / Mercredi <input type="checkbox"/> Thursday / Jeudi <input type="checkbox"/> Friday / Vendredi
<input type="checkbox"/> Halifax <input type="checkbox"/> Montréal <input type="checkbox"/> London <input type="checkbox"/> Winnipeg <input type="checkbox"/> Vancouver	

### Part 4 ► Declaration

I, \_\_\_\_\_, \_\_\_\_\_  
Je, \_\_\_\_\_, \_\_\_\_\_  
Name - Nom

agree to comply with the conditions of this agreement. It is understood that in the event these conditions are not met, this agreement will be cancelled, m'engage à respecter les conditions précisées dans le présent accord. Il est entendu que celui-ci sera annulé si ces conditions ne sont pas respectées.

Signature \_\_\_\_\_ Date \_\_\_\_\_

### Part 5 ► CCRA Authorization / Partie 5 ► Autorisation de l'Agence

<b>Customs Border Services / Services frontaliers des douanes</b>	
Name - Nom _____	Title - Titre _____
Signature _____	Date _____
<b>Trade Administration Services / Services d'administration des politiques commerciales</b>	
Name - Nom _____	Title - Titre _____
Signature _____	Date _____

Audit required / Vérification requise:  Yes / Oui     No / Non



## **REFERENCES**

### **ISSUING OFFICE –**

Postal, Courier and Casual Refund Program  
Import Process Division  
Operational Policy and Coordination Directorate

### **LEGISLATIVE REFERENCES –**

*Customs Act*, subparagraph 59(1)(a)(ii) paragraph 59(1)(b), and sections 60, 74 and 76

### **HEADQUARTERS FILE –**

7965-4

### **SUPERSEDED MEMORANDA “D” –**

D6-2-6, April 1, 1997

### **OTHER REFERENCES –**

D6-2-1, D6-2-2, D11-6-1, D11-6-5, D17-1-0, D17-1-19

**Services provided by the Canada Customs and Revenue Agency are available in both official languages.**

**This Memorandum is issued under the authority of the Commissioner of Customs and Revenue.**