



Ottawa, May 5, 2004

MEMORANDUM D19-10-3

In Brief

EXPORT AND IMPORT PERMITS ACT (EXPORTATIONS)

Appendix C of this Memorandum has been revised to reflect a change to the Area Control List.



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MEMORANDUM D19-10-3

Ottawa, February 16, 1996

SUBJECT

EXPORT AND IMPORT PERMITS ACT (EXPORTATIONS)

Revenue Canada assists the department of Foreign Affairs and International Trade with the administration of the *Export and Import Permits Act*. This Memorandum outlines the requirements and permit procedures for the exportation of goods listed in the Export Control List and for the exportation of goods to the countries listed in the Area Control List.

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Legislation

Sections 3 and 4 of the *Export and Import Permits Act* outline the authorization for establishing the Export Control List and Area Control List.

“3. The Governor in Council may establish a list of goods, to be called an Export Control List, including therein any article the export of which the Governor in Council deems it necessary to control...”

“4. The Governor in Council may establish a list of countries, to be called an Area Control List, including therein any country to which the Governor in Council deems it necessary to control the export of any goods.”

Section 10 of the *Export and Import Permits Act* deals with the authorization for amending or altering permits.

“10.(1)...the Minister may amend, suspend, cancel or reinstate any permit, certificate or other authorization issued or granted under this Act.”

Section 13 includes prohibitions under the *Export and Import Permits Act*.

“13. No person shall export or attempt to export any goods included in an Export Control List or any goods to any country included in an Area Control List except under the authority of and in accordance with an export permit issued under this Act.”

GUIDELINES AND GENERAL INFORMATION

Introduction

1. The *Export and Import Permits Act* gives the Governor in Council the authority to establish various control lists. This Act establishes the Export Control List and the Area Control List. This Act allows the Minister of Foreign Affairs to issue export permits and to alter, suspend, cancel, and reinstate any permit issued under this Act. This Act also outlines offences, penalties, Customs Officers' duties, and the application of powers under the *Customs Act*. It also gives to the Governor in Council the authority to establish Regulations pertaining to the administration of this Act.

2. The *Export and Import Permits Act*, the Export Control List, the Area Control List, and the General Export Permits may be found in the applicable sections of *The Export and Import Permits Act Handbook*. These sections are:

Section	Part	Number	Page
<i>Export and Import Permits Act</i>	II	(1)	201.00.1
Export Control List	III	(3)	303.00.1
Area Control List	III	(5)	304.00.1
General Export Permits	III	(6)	305.01.1

3. You may purchase *The Export and Import Permits Act Handbook* from:

Canada Communication Group – Publishing
Public Works and Government Services Canada
Ottawa ON K1A 0S9

Telephone: (819) 956-4800

The handbook catalogue number is E72-1/1991.

Export Control

4. Export permits issued by the Department of Foreign Affairs and International Trade are required for the exportation of products listed in the Export Control List and for the exportation of any goods to countries named in the Area Control List, except in cases where such products are permitted exportation under the authority of General Export Permits. Appendices B and C to this Memorandum provide explanations on the Export Control List and the Area Control List.

5. An application for an export permit shall be filed with the Export and Import Controls Bureau, Department of Foreign Affairs and International Trade on a form provided by and obtainable from that department. When an application has been approved and signed by or on behalf of the Minister of Foreign Affairs it becomes a valid export permit. The exporter presents Copy 4, or a photocopy thereof, of the export permit to customs when exporting the goods from Canada.

6. As an exception to the foregoing, applications for permits for the export of logs and pulpwood from British Columbia shall be submitted to the:

Department of Industry
9th Floor
650 West Georgia Street
P.O. Box 11610
Vancouver BC V6B 5H8

Telephone: (604) 666-0434
Facsimile: (604) 666-8330

7. Certain goods may be exported under the authority of General Export Permits. In such cases, it is not necessary to apply for individual export permits. The General Export Permit number must be quoted on the customs export declaration and Revenue Canada must be satisfied that the export does come within the terms of the general permit.

United States Shippers' Export Declarations

8. Goods in bond arriving from a point in the United States, in transit through Canada, and en route to a third country, must be accompanied by the appropriate cargo control document. This is either Form 7525-V United States *Shipper's Export Declaration* (SED), or a Shippers Authorisation Symbol (SAS)/Company Authorisation Symbol (CAS) issued by the United States Department of Commerce to companies participating in the Automated Export Reporting Program. This program allows participants to file electronic export data, on a monthly basis, instead of filing individual shipper's export declarations at the time of exportation. If the exporter is using an SAS/CAS, then the notation "NO SED required, Section 30.39, FTSR, SAS or CAS__" (i.e., any 2 alphabetical characters), shall be cited on the cargo control document. In these cases, the goods are considered to be exempt from Canadian export permit requirements. If neither a United States Form 7525-V, a SAS nor a CAS is presented to Canadian customs, then the exporter will require a Canadian export permit issued by the Department of Foreign Affairs and International Trade to export the goods from Canada.

9. The United States Form 7525-V, or a copy of the cargo control document quoting the SAS or CAS must be filed with Revenue Canada at the Canadian point of departure. Canadian customs will check and date stamp the shippers' export declarations and forward these documents to the Export and Import Controls Bureau on a weekly basis. We included a sample of Form 7525-V in Appendix E.

10. For further information, refer to Item 5401 (Goods in Transit), of the Export Control List, Part III, Section (3), page 303.00.4 of *The Export and Import Permits Act Handbook*.

Endangered Species

11. Canada is a signatory to the Convention on International Trade in Endangered Species (CITES) which controls the movement of endangered wild flora and fauna. The CITES Agreement is administered in Canada through the *Export and Import Permits Act*, specifically item 30 of the Import control List and item 5000 of the Export Control List. For further information, refer to Memorandum D19-7-1, *Convention on International Trade in Endangered Species*.

Export Permit Procedure

12. Custos officials and exporters should check the export permit with respect to the following for accuracy of completion (see Appendix A to this Memorandum):

- (a) Make sure the export permit has a permit number;
- (b) Check to see if the permit is still in effect or has expired;
- (c) Check to see if the exporter is the same as the one listed on Form B 13A, *Export Declaration*, or on the export documentation.
- (d) Check to see that the goods described on the permit are the same as those described on Form B 13A or in the cargo control documents;
- (e) Check to see if the declaration quantity is equal to or less than the permit quantity;
- (f) make sure the permit has been signed by the applicant;
- (g) Make sure the permit has been signed by or on behalf of the Minister of Foreign Affairs.

13. Customs officers shall put the cargo control number or customs export declaration number on the permit, date stamp and initial the permit. Where the value and quantity of the shipment or exportation are available, customs shall record this value and quantity on the copy of the export permit.
14. Once the permit has been validated, customs officials should return it to the Export Control Command Centre **or**, held in the region, as part of the export report, according to the procedure set out in Appendix D to this Memorandum.
15. Appendix D to this Memorandum describes further the permit procedure and relevant responsibilities.

Amendments to Permits

16. Necessary amendments to permits may be authorized by the Export and Import Controls Bureau. Types of amendments include: differences in permit and shipment quantities, extensions of validity and expiry dates, cancellations, etc. Customs will require that the amended permit be presented before the goods are released. For further information on amendments to permits contact the Export and Import Controls Bureau.

Detention

17. Customs will detain the goods and advise the exporter to contact the Export and Import Controls Bureau when:
 - (a) no permit is presented;
 - (b) the goods are not as described on the permit;
 - (c) the quantity to be exported is greater than the quantity authorized on the permit;
 - (d) the permit is not yet in effect or has expired;
 - (e) the permit does not have the signature of the applicant or issuing authority.

18. Under the above circumstances, the goods are not to be released until a valid export permit is presented or the permit discrepancy has been brought to the attention of and corrected by the Export and Import Permits Bureau.

Penalty Information

19. Every person who violates any of the provisions or regulations of the Export and Import Permits Act is guilty of an offence and is liable:
 - (a) on summary conviction, to a fine not exceeding \$25,000. or to imprisonment for a term not exceeding 12 months, or to both fine and imprisonment, or
 - (b) on conviction upon indictment, to a fine in an amount that is at the discretion of the court, or to imprisonment for a term not exceeding ten years, or to both fine and imprisonment.

Additional Information

20. Questions concerning customs administration of these procedures should be directed to the:

Export Section
Commercial Operations Directorate
Revenue Canada
Ottawa ON K1A 0L5

Telephone: (613) 954-7160
Fax: (613) 952-1698

21. Questions concerning the issuance of export permits should be directed to:

Export and Import Controls Bureau
Department of Foreign Affairs and
International Trade

P.O. Box 481, Station A
Ottawa ON K1N 9K6

Telephone: (613) 996-2387
Fax: (613) 996-9933

APPENDIX A

FORM EXT 1042 (09/93)

APPENDIX B

EXPORT CONTROL LIST

1. In this List, a permit to export goods, referred to in section 7 of the *Export and Import Permits Act* is required for the export of:
 - (a) items listed in Groups 1, 2, and 4 to all destinations other than the United States;
 - (b) items listed in Group 3 to all destinations; and
 - (c) items listed in Group 5 to any destination mentioned in the item.
2. The Export Control List is divided into eight groups. The groups are as follows:
 - (a) Group 1 – Industrial Goods;
 - (b) Group 2 – Munitions;
 - (c) Group 3 – Atomic Energy;
 - (d) Group 4 – Nuclear Non-proliferation;
 - (e) Group 5 – Miscellaneous Goods;
 - (f) Group 6 – Missile Technology Control Regime;
 - (g) Group 7 – Chemical and Biological Weapons Non-proliferation;
 - (h) Group 8 – Chemicals for the Production of Illicit Drugs
3. Items under each group in the Export Control List can be found in *The Export and Import Permits Act Handbook*, Part III, Section 3.

APPENDIX C

AREA CONTROL LIST

1. The Area Control List identifies countries that are subject to export controls. Currently Myanmar (Burma) is the only country on the Area Control List.
2. The export of any goods to any of the countries listed in the Area Control List must be covered by an export permit and the goods must not be released until either an individual permit is obtained or customs officials are satisfied that the goods may be exported under a General Export Permit.

APPENDIX D

EXPORT PERMIT PROCEDURE

The following chart outlines the permit procedure and delineates the respective responsibilities of the exporter, the Department of Foreign Affairs and International Trade, and Revenue Canada's customs offices.

Exporter	Foreign Affairs and International Trade	Revenue Canada
1. Apply for permit.		
	2. Input data into computer system.	
	3. Issue permit to exporter.	
4. Present permit to customs with export entry.		
		5. Verify: <ul style="list-style-type: none">(a) permit quantity, value shipped and description with Form B 13A, <i>Export Declaration</i>, or the cargo control document;(b) effective and expiry dates of permit;(c) signature of applicant;(d) signature of or on behalf of the Minister of Foreign Affairs.
		6. Validate permit as to quantity, value, etc., for export: <ul style="list-style-type: none">(a) note permit number on export documentation;(b) note customs export declaration number or cargo control number on permit.
		7. Release Goods
		8. Where the value and/or quantity of the shipment or exportation is available, record this value and/or quantity on the copy of the export permit retained by customs for return to the Export Control Command Centre.
		9. Once a week, return only the following validated export permits to the Export Control Command Centre:

- (a) export permits with a Group 2 – Munitions ECL Number (2000 series);
- (b) export permits with multiple ECL Numbers where any Group 2 ECL Number is disclosed; and
- (c) still valid 1988 export permits, with a Group 7 ECL Number; to the:

Export Control
Command Centre
Revenue Canada
18th floor
Sir Richard Scott
Building
Ottawa ON K1A 0L5

10. Retain in the regions all other validated export permits for all other groups of the ECL, which are presented to customs, as part of the export reports.

11. If necessary, take enforcement action,

12. If necessary, take enforcement action

APPENDIX E

FORM 7525-F

An explanation of the fields contained in the United States Shippers' Export Declaration is contained in the following pages, in french only.

REFERENCES

<p>ISSUING OFFICE – Origin and Valuation Policy Division Trade Policy and Interpretation Directorate</p>	<p>HEADQUARTERS FILE – 7034-5-14</p>
<p>LEGISLATIVE REFERENCES – <i>Customs Act</i>, section 48</p>	<p>OTHER REFERENCES – D13-4-5</p>
<p>SUPERSEDED MEMORANDA “D” – D13-4-12, September 30, 1991</p>	

Services provided by the Canada Border Services Agency are available in both official languages.