

MEMORANDUM D17-1-2

In Brief

Ottawa, March 28, 2001

SUBJECT

**REPORTING AND ACCOUNTING FOR LOW VALUE COMMERCIAL GOODS (UNDER
CAN\$1,600) AND THE CONSIST SHEET CLEARANCE PROCESS**

This Memorandum has been revised to reflect organizational changes resulting from the implementation of the Canada Customs and Revenue Agency on November 1, 1999. It has also been revised to provide a better description of the consist sheet clearance process.

Ottawa, March 28, 2001

SUBJECT

REPORTING AND ACCOUNTING FOR LOW VALUE COMMERCIAL GOODS (UNDER CAN\$1,600) AND THE CONSIST SHEET CLEARANCE PROCESS

This Memorandum outlines the documentation requirements for the cargo reporting, release, and accounting of commercial shipments valued at less than CAN\$1,600. It also explains the requirements for the consist sheet clearance process of goods eligible for release under the *Courier Imports Remission Order*.

Legislation

The regulations governing the guidelines and general information contained in this Memorandum are presented in Memorandum D17-1-0, *Accounting for Imported Goods and Payment of Duties Regulations*.

**GUIDELINES AND
GENERAL INFORMATION**

1. Section 12 of the *Customs Act* requires that all goods be reported to the Canada Customs and Revenue Agency (CCRA) as explained in Memorandum D3-1-1, *Regulations Respecting the Importation, Transportation, and Exportation of Goods*.
2. Low value commercial goods valued at less than CAN\$1,600 may be released by the CCRA on presentation of any of the following:
 - (a) a Form B3, *Canada Customs Coding Form*, type C or D, or a bonded warehouse B3 accounting document along with any applicable permits, licences, and certificates (see Memorandum D17-1-5, *Importing Commercial Goods*); or
 - (b) a Release on Minimum Documentation (RMD) package, as explained in Memorandum D17-1-5, consisting of:
 - (1) two copies of the cargo control document or summary sheet;
 - (2) any applicable permits, licences, and certificates; and
 - (3) two copies of the invoice or other acceptable document giving the following information:
 - (i) the importer's name and business number;
 - (ii) the name of the exporter;
 - (iii) the unit of measure and quantity of goods;
 - (iv) the value of the goods;
 - (v) a detailed description of the goods, including the code or model number, size or dimensions;

(vi) a transaction number in bar-coded format with the numeric equivalent written directly below the bar code on the first page of Form B3. Specifications for bar codes are found in Appendix I of Memorandum D17-1-10, *Coding of Customs Accounting Documents*. The transaction number must be typed or clearly written on all remaining pages of Form B3. If goods are released by an importer's agent at a non-automated CCRA office, it is not necessary to bar code the transaction number;

(vii) the number of invoice pages; and

(viii) the country of origin;

(c) a cargo control document (CCD) or approved consist sheet if the shipment qualifies under the *Courier Imports Remission Order (CIRO)*; or

(d) two copies of a cargo/release list for approved Courier/Low Value Shipment Program participants (see Memorandum D17-4-0, *Courier/Low Value Shipment Program – Low Value Commercial Goods*).

Note: RMD information can be submitted electronically by Electronic Data Interchange (EDI) in accordance with the participants' requirements document.

Consist Sheet Process

3. Goods eligible for report and release under the *Courier Imports Remission Order (CIRO)* may be documented on a consist sheet. The goods should have a value for duty not exceeding CAN\$20. Certain types of goods and certain types of commercial transactions are excluded. Memorandum D8-2-16, *Courier Imports Remission Order*, gives further details on the CIRO.

4. To be eligible to participate in this reporting process, a carrier must have the appropriate carrier bond security filed with customs. Information concerning the security required may be found under "Bonding Requirements" in Memorandum D3-1-1. The amount of security required varies by mode of transport. For more specific information, refer to the following Memoranda: D3-2-2, *Air Cargo – Import Movements*; D3-4-2, *Highway Cargo – Import Movements*; D3-5-2, *Marine Cargo – Import Movements*; and D3-6-6, *Rail Cargo – Import Movements*.

5. Carriers wishing to use the consist sheet reporting must submit a copy of the proposed consist sheet format for approval to the address in paragraph 16. A sample format can be found in the Appendix.

6. The consist sheet must be typed and contain the following information:

(a) the carrier's control number for the goods;

(b) the exporter's name and address (originator);

(c) the importer's name and address (consignee);

(d) the number of packages;

(e) a description;

(f) the weight;

(g) the value of the goods in Canadian dollars, set according to the valuation methods contained in the Memoranda D13 series;

(h) the CCRA office where the goods are destined for release;

(i) the country of origin of the goods;

(j) a blank field for the customs use only; and

(k) the total number of shipments.

7. Should the CCRA find that a carrier is abusing its consist sheet reporting privileges, the authorization may be revoked.

Consist Sheet Release

8. Before or upon the shipment's arrival, the carrier presents the CCRA with two copies of the consist sheet listing all shipments for which release is being requested. The carrier must remove shipments that are not eligible for release from the consist sheet.
9. The officer reviews the list and highlights any shipment to be examined. Customs officers will examine these shipments and decide either to release the shipments or to have them removed from the consist sheet. The customs officer then release stamps one copy of the list and returns it to the carrier as proof of release by customs. The second copy is retained by the CCRA.
10. Any shipment removed from the consist sheet is subject to individual manifesting and to the requirements for release under regular processing, as per Memorandum D17-1-5.
11. Once goods are released, the carrier is responsible for providing the importer all release information and supporting documentation for each shipment.
12. According to the *Accounting for Imported Goods and Payment of Duties Regulations*, goods that apply to the *Courier Imports Remission Order (CIRO)* can be released without any requirement of accounting under section 32 of the *Customs Act*.
13. As the consist sheet is considered to be a combined release and accounting document, the carrier must keep it on file for a period of six years.

Accounting for Released Goods

14. Low value commercial goods must be accounted for according to section 32 of the *Customs Act* and subsection 6(b) of the *Accounting for Imported Goods and Payment of Duties Regulations*. For details regarding the accounting requirements and procedures, refer to Memorandum D17-1-0, and Memorandum D17-1-10.
15. When claiming the benefits of the Canada-Israel Free Trade Agreement, Canada-Chile Free Trade Agreement, United States Tariff, Mexico Tariff, or Mexico-United States Tariff treatment, importers and brokers should refer to the policy guidelines in Memorandum D11-4-2, *Proof of Origin*, and Memorandum D11-4-14, *Certification of Origin*.
16. Any correspondence concerning this Memorandum should be directed to:

Import Process Division
Operational Policy and Coordination Directorate
Customs Branch
8th floor, 191 Laurier Avenue West
Ottawa ON K1A 0L5

APPENDIX

CONSIST SHEET

Carrier's Name: _____

Destination Office: Windsor

Cargo Control No.	Exporter's Name and Address	Importer's Name and Address	No. of Packages	Description	Weight	Value	Country of Origin	Customs Use Only
005001	ABC Inc. 200 Big St. NY, NY 12345	Jane Smith 141 Main St. Ottawa ON A9B 2C3	1	Documents	10 gr.	\$1.00	U.S.	

Total Number of Shipments: _____

Consist Sheet Completion Instructions

The following information must be shown on the consist sheet:

1. Carrier's Name – Indicate the name of the carrier reporting the goods.
2. Destination Office – Customs offices are listed in Memorandum D1-1-1, *List of Customs Offices*. Where the destination has more than one sufferance warehouse for the applicable mode of transport (for example, Toronto), the name of the receiving customs office must be followed by the name, abbreviation, or code of the intended warehouse of clearance (for example, Toronto-498).
3. Cargo Control Number (CCN) – Indicate the carrier's individual control number for each shipment.
4. Exporter's Name and Address – Indicate the name and address of the person or firm shipping the goods.
5. Importer's Name and Address – Indicate the name and address of the person or firm in Canada to whom the goods are being shipped.
6. No. of Packages – Indicate the quantity of goods being reported.
7. Description – Give an accurate, concise description of the goods in common trade terms.
8. Weight – Indicate the weight of the shipment in metric or imperial measure. The unit of measure must be noted.
9. Value – Indicate the value of the goods in Canadian funds, using the appropriate valuation method. For example, goods that are sent to an importer without charge still have an essential value.
10. Country of Origin – Indicate the country where the goods originated.
11. Customs Use – Self explanatory.
12. Total Number of Shipments – The total number of shipments on the consist sheet for which release is being requested.

REFERENCES

ISSUING OFFICE –

Import Process Division
Operational Policy and Coordination Directorate

LEGISLATIVE REFERENCES –

Accounting for Imported Goods and Payment of Duties Regulations

HEADQUARTERS FILE –

7632-1

SUPERSEDED MEMORANDA “D” –

D17-1-2, November 20, 1997

OTHER REFERENCES –

D3-1-1, D3-2-2, D3-4-2, D3-5-2, D3-6-6, D8-2-16, D11-4-2, D11-4-14, D13 series, D17-1-0, D17-1-5, D17-1-10, D17-4-0

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.