

**MEMORANDUM D8-2-16**

Ottawa, February 9, 2001

**In Brief**

**SUBJECT**

***COURIER IMPORTS REMISSION ORDER***

This Memorandum has been revised to reflect organizational changes resulting from the implementation of the Canada Customs and Revenue Agency (CCRA) on November 1, 1999. It has also been revised to provide the proper legislative references.

# MEMORANDUM D8-2-16

Ottawa, February 9, 2001

## SUBJECT

### *COURIER IMPORTS REMISSION ORDER*

This Memorandum outlines the conditions under which a remission order may be granted on certain goods imported into Canada by courier services.

#### **Regulations**

#### ORDER RESPECTING THE REMISSION OF CUSTOMS DUTIES, SALES, AND EXCISE TAXES ON CERTAIN IMPORTED GOODS TRANSPORTED INTO CANADA BY COURIER SERVICES

##### *Short Title*

1. This order may be cited as the Courier Imports Remission Order.

##### *Interpretation*

2. In this Order,

“courier” means a commercial carrier that is engaged in scheduled international transportation of shipments of goods other than goods imported by mail. (*messagerie*)

“goods” with the exception of a publication or book that is classified under tariff item No. 9812.00.00 in the List of Tariff Provisions in the Schedule to the *Customs Tariff*, does not include:

- (a) alcoholic beverages, cigars, cigarettes and manufactured tobacco;
- (b) goods classified under tariff item No. 9816.00.00 in the List of Tariff Provisions in the schedule to the *Customs Tariff* and goods for which the value for duty is reduced by the application of section 79 of the *Customs Tariff*; and
- (c) books, newspapers, magazines, periodicals and other similar publications where the supplier is required to register under Subdivision d of Division V of part IX of the *Excise Tax Act* and is not so registered. (*marchandises*)

##### *Application*

3. This Order does not apply to:
  - (a) imported goods that are purchased from a retailer in Canada and shipped to the purchaser directly from a place situated out of Canada;

(b) imported goods that are purchased or ordered through or from an address, a post office box or a telephone number in Canada; or

(c) goods that are imported by a person other than the person in Canada who ordered or purchased the goods.

#### *Remission*

4. Subject to section 5, remission is hereby granted of the customs duties and excise taxes paid or payable on imported goods transported by courier and having a value for duty not exceeding CAN\$20.

#### *Condition*

5. Where the benefit of remission is not received at the time of importation, the remission granted under section 4 is granted on the condition that a claim for remission is made to the Minister of National Revenue within two years after the date of importation of the goods for which remission is claimed.

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### **GUIDELINES AND GENERAL INFORMATION**

1. With certain exceptions as set out in paragraphs 2 and 3, this Order applies to both non-commercial and commercial importations of goods transported into Canada by courier services.

2. In this Order, “courier” means all common commercial carriers, regardless of mode of transport, including freight forwarders and deconsolidators.

3. When it has been determined that the value for duty of goods being imported by courier does not exceed CAN\$20 per shipment, these goods are exempt from the goods and services tax (GST) and the harmonized sales tax (HST) under Section 7 of Schedule VII of the *Excise Tax Act* and are granted remission of all customs duties, excise taxes, and provincial sales tax (PST).

#### **Exceptions**

4. This Order does not apply to certain types of goods or certain types of commercial transactions. The exceptions, specified in sections 2 and 3 of the Order are as follows:

(a) remission is not granted under this Order in respect of alcoholic beverages, cigars, cigarettes, and manufactured tobacco, regardless of value;

(b) this Order cannot be used in conjunction with tariff item No. 9816.00.00 of the *Customs Tariff* which provides an exemption from duties and taxes on gifts valued at CAN\$60 or less;

(c) remission is not granted under this Order in respect of books, newspapers, magazines, periodicals, and other similar publications shipped from suppliers abroad who are required to register with the Canada Customs and Revenue Agency, but are not so registered; and

(d) this Order does not apply to commercial transactions in which goods are ordered by a Canadian consumer from a Canadian intermediary who, in turn, causes the goods to be shipped directly from the foreign supplier to the Canadian purchaser.

**Note:** Duties and taxes are collected in all such instances whether the Canadian intermediary is a retailer who arranges for direct shipment from the foreign supplier to the Canadian customer, or is an agent or employee of the foreign supplier. Usually, in this type of transaction, the Canadian supplier, agent, or employee carries no inventory from which to fill orders.

5. For example, a foreign vendor employs an agent on a commission basis to sell a product. The agent takes an order valued at CAN\$20 from the Canadian consumer and submits the order to the foreign supplier. The supplier fills the order by shipping the product directly to the Canadian consumer's address. The export declaration shows a value of CAN\$20 for the goods. In this case, the Order does not apply because of the type of the commercial transaction, and the goods are subject to all applicable duties and taxes.

6. All shipments that require documentation, permits, licences, inspection, etc., for other government departments or agencies, will not be immediately released under the authority of this Order until the requirements of the other government departments are fulfilled.

### **Other Considerations**

7. In order for courier shipments valued at CAN\$20 or less to receive the benefit of the *Courier Imports Remission Order*, or the benefit of non-taxable status under Section 7 of Schedule VII of the *Excise Tax Act*, the total shipment must be subject to a single transaction. It is not acceptable to divide an order into several packages so that each individual shipment has a value of under CAN\$20.

8. Where the value for duty of the shipment exceeds CAN\$20, the entire value of the goods is subject to the regular provisions of the *Customs Tariff*.

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## REFERENCES

### ISSUING OFFICE –

Import Process Division  
Operational Policy and Coordination Directorate

### LEGISLATIVE REFERENCES –

*Financial Administration Act*, section 17  
Order in Council P.C. 1985-2955, October 3, 1985  
(*Canada Gazette*, Part II, p. 4291) as amended by  
Order in Council P.C. 1986-1401, June 12, 1986  
(*Canada Gazette*, Part II, p. 2616), and Order in  
Council P.C. 1992-1431, June 24, 1992 (*Canada  
Gazette*, Part II, p. 3096)

### HEADQUARTERS FILE –

7962

### SUPERSEDED MEMORANDA “D” –

D8-2-16, January 1, 1998

### OTHER REFERENCES –

D8-2-2

**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.**

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