



Ottawa, January 31, 2006

# MEMORANDUM D2-4-1

---

## In Brief

### TEMPORARY IMPORTATION OF CONVEYANCES BY RESIDENTS OF CANADA

1. Revisions made to this memorandum are the result of a French language review.
2. The procedures as published on February 9, 1998 are the most recent and will be revised for organizational changes and/or technical reviews in future publishing of this memorandum



Printed in Canada



Ottawa, January 31, 2006

# MEMORANDUM D2-4-1

## TEMPORARY IMPORTATION OF CONVEYANCES BY RESIDENTS OF CANADA

This Memorandum outlines and explains the legislation, regulations, and conditions under which residents of Canada are permitted to import conveyances on which duties have not been paid for temporary use in Canada.

(iv) authorizing the Minister of National Revenue to require security for imported conveyances and limit the amount and type of security that may be required.

### Chapter 98

#### SPECIAL CLASSIFICATION PROVISIONS – NON COMMERCIAL

#### TABLE OF CONTENTS

	Page
<b>Legislation</b>	1
<b>Regulations</b>	1
<b>Guidelines and General Information</b>	2
Residents of Canada	2
Purpose of Importation	2
Documentation and Security	3
Time Limit and Storage	3
Form E29B Issue Time Limit	3
Commercial Samples and Deliveries of Goods	3
Casual Use of Aircraft	3
Inward Reporting of Vessels	3
Penalty Information	3

#### Note

5. Goods entitled to be classified under heading No. 98.01, 98.02, 98.03, 98.04 (other than tariff item No. 9804.30.00) or 98.05 shall be relieved from all duties, other than the customs duties imposed under Part 2 of this Act with respect to tariff item No. 9804.30.00, notwithstanding the provisions of this or any other Act of Parliament.

Tariff Item	Description of Goods	MNFT*
-------------	----------------------	-------

#### 9802.00.00

Conveyances temporarily imported by a resident of Canada to be employed in the international non-commercial transportation of that person and accompanying persons using the same conveyance.....Free

\* Most Favoured Nation Tariff (MFNT)

#### Legislation

#### CUSTOMS TARIFF

Paragraph 133(d) of the *Customs Tariff* reads:

133. The Governor in Council may, on the recommendation of the Minister of National Revenue, make regulations

(d) for the purposes of tariff item No. 9802.00.00,

- (i) prescribing conditions under which conveyances may be imported,
- (ii) limiting the length of time that any imported conveyance may remain in Canada and the use that may be made of the conveyance while it remains in Canada, and authorizing the Minister of National Revenue to extend those limits,
- (iii) excluding any class of conveyance from classification under that tariff item, and

#### Regulations

#### REGULATIONS RESPECTING TEMPORARY IMPORTATION OF CONVEYANCES BY RESIDENTS OF CANADA

#### Short Title

1. These Regulations may be cited as *the Temporary Importation of Conveyances by Residents of Canada Regulations*.

#### Interpretation

- 2. In these Regulations,
  - “commuter” means
    - (a) a resident who is employed by an employer who operates a business in the United States and for whom the employer supplies a conveyance, on which duties have not been paid, for use in connection with that business and for travelling between the resident’s place of employment in the United States and the resident’s residence, and

(b) a resident who operates a business in the United States and who uses a conveyance, on which duties have not been paid, in connection with that business and for travelling between the resident's place of business in the United States and residence; (*travailleur migrant*)

“conveyance” means any vehicle, aircraft or other contrivance that is used to move persons or goods, but does not include water-borne craft; (*moyen de transport*)

“hire or reward” means any payment, consideration, gratuity or benefit directly or indirectly charged, demanded, received or collected by a person for the carriage of passengers or goods; (*rémunération ou salaire*)

“resident” means a person who, in the settled routine of the person's life, makes that person's home, resides and is ordinarily present in Canada. (*résident*)

#### *Terms and Conditions of Importation of Conveyances*

3. A conveyance may be imported if,

(a) the conveyance, while in Canada is to be used solely for the transportation of a resident and accompanying persons from the point of arrival in Canada directly to a specified destination in Canada and from the specified destination to a destination outside Canada;

(b) in the case of a commuter, the conveyance while in Canada is to be used for the personal transportation of the commuter and accompanying persons from the point of arrival in Canada to specified destinations in Canada and from a specified destination in Canada to a destination in the United States;

(c) in the case of a resident other than a commuter, the conveyance is to be imported only for the purpose of transporting his household or personal effects into or out of Canada, or for personal transportation as a result of an emergency or unforeseen contingency;

(d) in the case of a commuter, the conveyance is to be imported for the purpose of personal transportation of the commuter and accompanying persons between his place of residence in Canada and a point in the United States or for the purpose of visiting clients in Canada on behalf of his employer;

(e) the conveyance is not to be used in Canada for the purpose of

- (i) touring or other leisure activity,
- (ii) carrying passengers or goods for hire or reward,

(iii) transporting goods for sale, or

(iv) soliciting sales or subscriptions on behalf of an employer who operates a business in Canada;

(f) at the time of importation, the person importing the conveyance specifies to the customs officer the date on which that person intends to export the conveyance from Canada; and

(g) the conveyance is exported from Canada within the time limit specified in section 5.

4. REVOKED (SOR/88-84) JANUARY 20, 1988

#### *Time Limits*

5. (1) A conveyance may remain in Canada until the expiration of

(a) the intended date of exportation specified pursuant to paragraph 3(f), or

(b) thirty days from the date of its importation, whichever is the earlier.

(2) Where it is impossible or impracticable for a resident to comply with the requirements referred to in subsection (1), the Minister may extend the time during which a conveyance may remain in Canada for any additional period not exceeding sixty days from the date of its importation into Canada.

6. The Minister may require security with respect to a conveyance that is temporarily imported in the form of cash or a certified cheque in an amount not exceeding the duties that would be payable if tariff item No. 9802.00.00 of the List of Tariff Provisions in the Schedule to the *Customs Tariff* did not apply to that conveyance.

---

## **GUIDELINES AND GENERAL INFORMATION**

### **Residents of Canada**

1. Residents of Canada may operate conveyances on which duties have not been paid in Canada only in accordance with the terms and conditions of tariff item No. 9802.00.00 and the regulations made pursuant thereto.

### **Purpose of Importation**

2. Conveyances imported temporarily under these Regulations are admissible for personal transportation only from the point of arrival to a specified destination in Canada and return within 30 days, when the purpose of importation is to transport personally owned goods into or out of Canada.

3. Similarly, customs inspectors may permit importation in instances where a resident is required, due to unforeseen circumstances or emergency reasons, to utilize a conveyance on which duties have not been paid for personal transportation to reach a specified destination in Canada and return.

4. Under no circumstances are conveyances admissible under these Regulations for touring purposes or for other leisure activities in Canada, nor is any local use permitted (e.g., point to point movement in Canada).

5. Customs inspectors will grant free importation of a conveyance under these Regulations only when satisfied that the applicable conditions have been met.

### **Documentation and Security**

6. Form E29B, *Temporary Admission Permit*, will be issued at the time of arrival, in respect of the conveyance, whether or not a security deposit is deemed necessary. The need for the posting of a refundable security deposit will be determined by customs at the time of importation and such amount will, in no case, exceed the amount of duties otherwise payable on the conveyance.

### **Time Limit and Storage**

7. Conveyances imported temporarily under the provisions of tariff item No. 9802.00.00 must be exported from Canada within the time limit specified. Storage of such conveyances in Canada is not permitted.

### **Form E29B Issue Time Limit**

8. Form E29B may be issued for up to one year in respect of commuter vehicles, provided the duration of the stay for a trip in Canada does not exceed the maximum time limit of 30 days.

### **Commercial Samples and Deliveries of Goods**

9. While commuters are permitted to operate a conveyance under these Regulations for the purpose of visiting clients in Canada in connection with their employment, at no time may such a conveyance be used for the carriage of passengers or goods for hire or reward in Canada. Commercial samples, as described in Memorandum D8-1-13, *Commercial Samples Imported Temporarily From a NAFTA Country*, may be carried in Canada provided such items are representative samples and are not themselves to be offered for sale. Conveyances imported under these Regulations may not be used to make deliveries of goods to clients in Canada.

### **Casual Use of Aircraft**

10. From time to time, residents of Canada, particularly those who reside near the Canada-U.S. border, have occasion to rent U.S. registered aircraft in the United States

for private transportation to and from a destination in Canada. In instances where the intended destination is a customs airport, the "point of arrival" and "destination" for the purposes of tariff item No. 9802.00.00 become one and the same. In such cases, since the aircraft will not be further used in Canada for other than the international outward movement, the usual restrictions described in paragraph 3(c) of the Regulations as to purpose of travel (e.g., movement of household or personal effects, emergency or unforeseen contingency) will not apply. Aircraft in this category which remain in Canada for periods in excess of 24 hours must be accounted for at customs and all applicable duties must be paid.

11. However, in instances where the intended destination in Canada is not a designated customs airport, the pilot must report to the customs authorized airport (AOE) nearest his intended destination in Canada, and may not proceed beyond that point unless all requirements of tariff item No. 9802.00.00 are met. Customs inspectors are to ensure that the purpose of travel is in accordance with the provisions of paragraph 3(c) of the Regulations before allowing the pilot to proceed beyond the point of arrival to the intended destination in Canada.

### **Inward Reporting of Vessels**

12. Waterborne craft are not admissible under the provisions of tariff item No. 9802.00.00. It is recognized however, that residents of Canada who maintain foreign pleasure craft in the United States occasionally report inward at a Canadian port to avail themselves of Canadian goods or services. In such instances, the vessel may not proceed beyond the initial point of reporting and, as such, may not be used in Canada nor for voyages from one Canadian port to another, via international waters. Form E29B, suitably marked "no local use," will be issued for the duration of the visit up to a maximum period of 24 hours, at which time the vessel is to be reported outward, directly to a foreign port.

13. Vessels in this category, which remain in Canada for periods in excess of 24 hours (including those moored or stored), must be accounted for at customs and all duties must be paid.

### **Penalty Information**

14. Failure to comply with the terms and conditions of temporary importation may render a conveyance subject to seizure and/or forfeiture.

## REFERENCES

<p><b>ISSUING OFFICE –</b></p> <p>Trade Policy and Interpretation Directorate Customs and Trade Administration Branch</p>	<p><b>HEADQUARTERS FILE –</b></p> <p>H.S. 9802-0 H.S. 9802.00.00</p>
<p><b>LEGISLATIVE REFERENCES –</b></p> <p><i>Customs Tariff</i>, tariff item No. 9802.00.00 SOR/82-840 SOR/93-42</p>	<p><b>OTHER REFERENCES –</b></p> <p>D8-1-13</p>
<p><b>SUPERSEDED MEMORANDA “D” –</b></p> <p>D2-4-1, February 9, 1998</p>	

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

