



Ottawa, January 27, 2003

MEMORANDUM D17-1-10

In Brief

CODING OF CUSTOMS ACCOUNTING DOCUMENTS

This Memorandum has been revised to reflect the changes resulting from the implementation of the *Customs Tariff* (tariff simplification) effective January 1, 1998, of the Canada-Costa Rica Free Trade Agreement (CCRFTA) on November 1, 2002, the creation of the Canada Customs and Revenue Agency on November 1, 1999, and the elimination of the requirement for copies of Form B3, *Canada Customs Coding Form*, for Statistics Canada. Many of the B3 examples have been changed to reflect the new classification provisions. The B3 example in Appendix B relating to cigarettes exceeding 102 mm in length (now Example 11) has been amended with new coding instructions for line 3. The calculation of the excise tax on cigarettes in excess of 102 mm in length is now similar to that for customs duty equivalent to excise duty in keeping with the definition of “cigarette” that appears in section 2 of the *Excise Tax Act*. The lists in Appendix H have been updated, as have the coding instructions for Field No. 9 – Total Value for Duty in Appendix C. There are also new coding instructions for completion of Field No. 12 – Country of Origin, Field No. 13 – Place of Export, and Field No. 14 – Tariff Treatment in Appendix J. These requirements for the coding of the “F – type” entry will become effective on April 1, 2003. Tariff treatment code “21” will be used for on goods entitled to the Costa Rica Tariff (CRT) originating in Costa Rica.



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CODING OF CUSTOMS ACCOUNTING DOCUMENTS

This Memorandum describes various forms of accounting documentation and gives instructions for their completion.

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GUIDELINES AND GENERAL INFORMATION

1. This Memorandum is a guide for customs personnel, brokers, and importers/owners who are involved in preparing and processing various customs coding forms.
2. Accounting documents must be properly coded before they can be accepted for either manual or automated data processing. The information used to prepare these documents is obtained from invoices, cargo control documents, and other sources, and is coded and placed in a designated area on the coding form referred to as a field.

DESCRIPTION OF FORMS

Form B3, *Canada Customs Coding Form*

3. This form is a customs document used to account for imported goods, regardless of value, destined for commercial use in Canada according to either of the following:

- (a) sections 6, 12, and 14 of the *Accounting for Imported Goods and Payment of Duties Regulations* (see Memorandum D17-1-0, *Accounting for Imported Goods and Payment of Duties Regulations*); or
- (b) subsection 16(1) of the *Customs Bonded Warehouses Regulations* (see Memorandum D4-1-2, *Customs Bonded Warehouses Regulations*).

4. The Canada Customs and Revenue Agency (CCRA) will reprint B3 forms on white paper in blue ink. However, companies may privately print B3 forms in blue or black ink according to Memorandum D17-1-11, *Private Printing Policy and Procedures*. Importers/brokers must apply coloured wrappers to B3 forms as follows:

| Type | Colour |
|--|----------------------------------|
| AB and AD (\$1600 or more) | green |
| AB and AD (less than \$1600 that quote a remission order number in Field No. 26) | green |
| C, D, H, M, and V (account) (\$1600 or more) | blue |
| C, D, H, M, and V (account) (less than \$1600 that quote a remission order number in Field No. 26) | blue |
| C, D, H, M, and V (cash) (regardless of value) | yellow |
| C (one-time release prior to payment) | yellow |
| C, D, H, M, and V (account) (less than \$1600) | white |
| F (consolidated account) (less than \$1600) | salmon |
| AB and AD (less than \$1600) | white (mark AB or AD on wrapper) |
| 10, 20, 21, 22, and 30, including CADEX bonded warehouse | grey |
| CADEX non-bonded warehouse | gold |

5. Refer to Appendices B, C, and J for instructions and format examples of Form B3, Form B3 (bonded warehouse), and Form B3 (consolidated) respectively.

Form B3B, Canada Customs Cargo Control Continuation Sheet

6. Form B3B is used together with Form B3 when there is more than one cargo control document to be acquitted by one B3 form. A copy of Form B3B can be found in Appendix D.

Form B6D, Ships' Stores Delivery Declaration

7. Form B6D is used together with Form B3, type 22, *Ships' Stores, Sales to the Governor General and Diplomats*. It has the declaration of the vessel's master or agent, or the airline company's agent, certifying that the goods are for use as ships' stores. It also has the customs officer's certificate that the goods were accompanied on board and sealed on the vessel or aircraft. You can find more information on ships' stores in Memorandum D4-2-1, *Ships' Stores Regulations*.

INFORMATION REQUIREMENTS

8. It is in the best interest of brokers, importers/owners, and customs personnel to present accurate documents to customs. This allows customs to carry out its processing and enforcement functions and expedites release of the shipment to the importer/owner or broker.

9. All information on the coding forms must be legible and all fields must be completed according to the instructions in the Appendices.

10. The B3 form package must also include all certificates, licences, permits, or other documents that may be required by another government department or agency as they apply to their acts or regulations for imported goods. However, consolidated Form B3 accounting documents (Form B3, type F) used to account for goods released under the Courier/Low Value Shipment (LVS) Program are not to include supporting documentation when the accounting document is presented to customs. Any supporting documentation (i.e., invoices, Orders in Council) are to be held at the importer's and broker's premises to allow an officer in the future to perform an audit of the records and to obtain or verify the information on which the calculation of duties was based.

11. Customs officers will review Form B3 documentation to ensure compliance with the CCRA's requirements. They will return any B3 form that does not meet the requirements to the importer/owner or broker, and where applicable, withhold release of goods. In all such cases, the customs officer will inform the importer/owner or broker of the reasons for rejection.

DOCUMENTATION REQUIREMENTS

12. When Form B3 is presented at a terminal office and is paid either by cash or account, only one copy is required: the CCRA copy. The official receipt for monies tendered for payment of Form B3 at automated locations is a stamped duty-paid copy of a Detailed Coding Statement (DCS) for cash entries or a Form K84, *Importer/Broker Account Statement*, for account entries. Both these statements are generated by the customs automated system. For details, refer to Memorandum D17-1-5, *Importing Commercial Goods*.

13. When requesting release prior to payment under a Release on Minimum Documentation (RMD) (excluding CADEX), two copies of the release documentation must be presented. The original will be retained by customs for control purposes when the shipment is released and the duplicate returned to the importer/owner or broker for use with the confirming Form B3. In the case of a one-time

release prior to payment, three copies of the release documentation are required. The third copy will be attached to the request from the importer/owner or broker to transact bonded operations. For more details, refer to Memorandum D1-7-1, *Posting Security for Transacting Bonded Operations*, and Memorandum D17-1-5.

14. Under the Courier/LVS Program, approved participants can consolidate a number of shipments on Form B3, type F. This consolidation may include a number of LVS (less than CAN\$1600), which were released from customs. Goods that are prohibited, controlled, or regulated by an Act of Parliament or a regulation made under such an Act are excluded from this program. However, the program accepts goods for which a Special Authority (i.e., Order in Council) applies. Goods valued at greater than CAN\$ 1600 are also excluded from this program. Consolidation of this B3 form may be made by a customs office, a regional consolidation, a consolidation by carrier, a consolidation by importer, or a national consolidation. For more information regarding the Courier LVS Program, refer to Memorandum D17-4-0, *Courier/Low Value Shipment Program – Low Value Commercial Goods*.

15. Because Form B3 (bonded warehouse) is a multi-use form, the number of copies required will depend on the type. The following chart outlines this information when Form B3 is presented at a terminal office.

| Form B3 Type and Wrapper Colour | Copies Required | Remarks |
|--|-----------------|-------------------------|
| 10 (grey) Form B3 for Warehouse | 3 | 1 to CCRA |
| | | 1 to warehouse control |
| | | 1 to warehouse operator |
| 13 (grey) Form B3 for Rewarehouse | 3 | |
| 20 (grey) Ex-ware-house Form B3 for Consumption | | 1 to CCRA |
| | | 1 to warehouse control |
| 21 (grey) Form B3 Ex-warehouse for Export | | 1 to warehouse operator |
| 30 (grey) Transfer of Goods | 5 | |
| 22 (grey) Form B3 Ships' Stores, Sales to the Governor General and Diplomats | | 1 to CCRA |
| | | 1 to warehouse control |
| | | 1 to warehouse operator |
| | | 2 to the vessel |

16. At non-terminal offices, an importer's/broker's copy of the documentation is required for return with a daily notice of transactions finalized that day. The customs copy will be date-stamped with the date of final accounting and forwarded to the appropriate automated office.

ADDITIONAL INFORMATION

17. Any questions regarding Form B3 coding instructions or format examples in this Memorandum should be directed to the nearest customs office.

