

Locator Code: 479B
Memorandum D3-6-8

In Brief

Ottawa, March 6, 2000

SUBJECT

RAIL CARGO – EXPORT MOVEMENTS

This Memorandum has been revised to update terminology and the name, address, telephone and facsimile numbers of the Section you can contact at the Canada Customs and Revenue Agency (CCRA). New headings have been introduced for ease of reference. The Memorandum does not contain any policy or procedural changes.

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This Memorandum outlines customs requirements and procedures for reporting and controlling cargo exported from Canada by rail carriers.

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GUIDELINES AND GENERAL INFORMATION

SECURITY REQUIREMENTS

1. Rail carriers exporting in-bond cargo must be bonded carriers, and post security as outlined in Memorandum D3-6-6, *Rail Cargo – Import Movements*.

TRAIN REPORT

2. Rail carriers are responsible for reporting trains and cargo to customs at the point of exit. The carrier must either submit Form A5, *Train Report – Outward*, or an internal train consist sheet. If there is no customs office at that point, carriers must report to the nearest office along the route.

3. The train report must show each car's initials and numbers, whether the cars are local (domestic or in-bond goods for export) or through (in transit), loaded or empty.
4. For statistical purposes, customs will number each train report from a sequential series of numbers kept at the customs office, beginning with number one on April 1 of each year.
5. For enforcement purposes, customs will conduct examinations on a selective basis when a freight train arrives at the customs office of exit.
6. If customs examines a shipment, any moving or unloading of goods will be done by and at the expense of the carrier.

CARGO REPORTING AND CONTROL PROCEDURES

Domestic (Canadian) Cargo for Export

7. The exporter is responsible for preparing Form B13A, *Export Declaration*, when it is required to accompany a shipment being exported from Canada. The carrier is responsible for submitting the form to customs at the point of exit. Additional information concerning Form B13A, including when the form does not have to be presented to customs, can be found in Memorandum D20-1-1, *Export Declaration*.
8. Canadian domestic goods exported from Canada by rail carriers do not have to be reported on a cargo control document or have information electronically transmitted to customs unless the goods are subject to proof of export, Canadian ownership, or destruction of commercial goods. For additional information, refer to Memorandum D6-2-3, *Refund of Duties* and Memorandum D20-1-4, *Proof of Export, Canadian Ownership, and Destruction of Commercial Goods*.

In-Bond Cargo for Export

9. When a rail carrier removes in-bond goods from a sufferance warehouse for export, the export movement must be covered by an approved cargo control document. The carrier must present all copies of the cargo control document to customs for validation before the goods are removed from the warehouse.
10. When a rail carrier removes in-bond goods from a customs bonded warehouse for export, the carrier must submit the covering Form B3, *Canada Customs Coding Form*, to customs with complete cargo control document sets attached to cover the export movement. Customs will cross-reference Form B3 and the cargo control document, and stamp the B3 transaction number on the back of all copies of the cargo control document. Carriers must ensure that the quantity and description of the goods are the same on both documents.
11. When goods are removed from a warehouse they may be examined by customs before they are loaded onto the rail car. If the goods are examined, the rail car must be sealed before the goods are transported to the point of exit and the seal numbers must be noted on the cargo control document.
12. After customs has finished processing the cargo control document, the Long Room and Customs Delivery Authority copies are returned to the carrier for presentation to customs at the point of exit.
13. The exporting carrier must provide customs with the Long Room and Customs Delivery Authority copies of the cargo control document before the train leaves the point of exit for the U.S. If required, Form B13A must also be provided at this time. The goods and seals are subject to verification by customs and any unloading or opening of packages is done by and at the expense of the carrier.
14. The customs inspector who releases the goods will issue an outward report number for the cargo control documents and date-stamps and initials them. The outward report number will have the port code of the customs office of export followed by the prefix ER and the Julian calendar date. For example, the cargo control documents for shipments exported on May 30, 1998, from Fort Erie would show 410 ER 150. With this procedure, all cargo control documents acquitted on one day will have the same acquittal number. The inspector then returns the Customs Delivery Authority copy to the carrier and files the Long Room copy.

Overland Movements

15. Rail carriers carrying in-bond goods to the point of export under the marine overland movement procedure do not have to re-manifest the shipments, however one copy of Form A5, listing each bill of lading number (marine cargo control number) must be submitted to customs. The outward report number will cancel the marine cargo control numbers. For additional information on the marine overland movement procedure, refer to Memorandum D3-5-2, *Marine Cargo – Import Movements*.

Transhipped In-Bond Cargo

16. Goods arriving by rail that will be exported from a Canadian seaport by vessel must be declared as an importation and are reported to customs on a cargo control document or by electronic data interchange (EDI).

17. There are three scenarios involving the transshipment of in-bond cargo for export. They are:

- (a) From the US – through Canada – to a 3rd country;
- (b) From a 3rd country – through Canada – to the US; and
- (c) From a 3rd country – through Canada – to a 3rd country other than US.

18. When the goods arrive at the seaport, the rail carrier will give the marine agent two copies of the rail manifest to give to customs with the vessel outward report. The marine outward report number will acquit the rail manifests.

19. In-bond goods arriving in Canada by any mode of transportation and transhipped to a rail carrier for export must be re-manifested on a rail cargo control document, as outlined in Memorandum D3-1-1, *Regulations Respecting the Importation, Transportation and Exportation of Goods*. This applies unless customs authorized the initial contracting marine carrier to use the marine overland movement procedure.

20. Full carload lots may be examined when they are transhipped, and cars must have carrier seals. All copies of the cargo control document must show the seal numbers so customs can verify them at the point of exit.

21. At the point of exit, the carrier must present the Long Room and Customs Delivery Authority copies of the rail re-manifest and Form A5 to customs. After verification, customs will stamp the documents with an outward report number. The customs inspector who releases the goods will stamp and initial the Customs Delivery Authority copy and return it to the carrier.

PENALTY INFORMATION

22. For information on penalties, refer to Memorandum D3-8-1, *Cargo Control Contraventions*.

ADDITIONAL INFORMATION

23. Please direct all correspondence to:

Carrier and Cargo Policy Section
Import Process Division
Customs and Trade Administration Branch
Canada Customs and Revenue Agency
Ottawa ON K1A 0L5

Telephone: (613) 954-7218
Facsimile: (613) 957-9717

REFERENCES

ISSUING OFFICE –

Import Process Division

LEGISLATIVE REFERENCES –

Customs Act

HEADQUARTERS FILE –

7730-3

SUPERSEDED MEMORANDA “D” –

D3-6-8, April 22, 1994

OTHER REFERENCES –

D1-2-1, D3-1-1, D3-5-2, D3-8-1, D6-2-3, D20-1-1, D20-1-4

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.