

MEMORANDUM D17-4-1

**In Brief**

Ottawa, June 5, 2000

**SUBJECT**

**PERSONS AUTHORIZED  
TO ACCOUNT FOR  
CASUAL GOODS**

This Memorandum has been revised to reflect organizational changes resulting from the implementation of the Canada Customs and Revenue Agency on November 1, 1999, and to provide a better description of the Courier/Low Value Shipment (LVS) Program, including agreements regarding the collection of provincial taxes.

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Ottawa, June 5, 2000

## SUBJECT

### PERSONS AUTHORIZED TO ACCOUNT FOR CASUAL GOODS

Under section 32 of the *Customs Act*, casual goods may be released prior to the goods being accounted for and prior to the payment of duties and taxes. This Memorandum describes the conditions under which couriers who obtain release of casual goods under section 32(4) of the Act may be authorized to account for these goods on behalf of the importer. The *Persons Authorized to Account for Casual Goods Regulations* do not apply to casual goods that are accounted for by an authorized non-resident of Canada.

#### Regulations

#### REGULATIONS RESPECTING PERSONS AUTHORIZED TO ACCOUNT FOR CASUAL GOODS RELEASED IN ACCORDANCE WITH SUBSECTION 32(4) OF THE CUSTOMS ACT IN LIEU OF THE IMPORTER OR OWNER THEREOF

#### *Short Title*

1. These Regulations may be cited as the *Persons Authorized to Account for Casual Goods Regulations*.

#### *Interpretation*

2. In these Regulations,

“Act” means the *Customs Act*; (*Loi*)

“authorized person” means a person who has obtained an authorization pursuant to subsection 3(3);  
(*personne autorisée*)

“casual goods” means any goods imported into Canada other than goods imported for sale or for any commercial, industrial, occupational, institutional or other like use; (*marchandises occasionnelles*)

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

“designated officer” means the Deputy Minister or a Director General of the Department of National Revenue. (*agent désigné*)

### *Authorization of Couriers*

3. (1) A courier is authorized to account for casual goods released in accordance with subsection 32(4) of the Act in lieu of the importer or owner thereof on condition that

- (a) the courier is a bonded carrier;
- (b) the courier has given the security required under paragraph 7.3(b) of the *Accounting for Imported Goods and Payment of Duties Regulations*; and
- (c) the courier has obtained an authorization pursuant to subsection (3).

(2) Any courier, except a courier that has had an authorization revoked pursuant to paragraph 4(b) or section 5 within the previous 12 months, may make a written application to the Minister or a designated officer for the issuance of an authorization to account for casual goods and shall include the following information with the application:

- (a) evidence that the courier is a bonded carrier; and
- (b) an undertaking given by the courier to the Minister or the designated officer that the courier will give the security required under paragraph 7.3(b) of the *Accounting for Imported Goods and Payment of Duties Regulations*.

(3) The Minister or a designated officer shall, after reviewing an application made under subsection (2), issue to the courier an authorization to account for casual goods released in accordance with subsection 32(4) of the Act in lieu of the importer or owner thereof.

### *Revocation of Authorization*

4. The Minister or a designated officer shall revoke an authorization issued under subsection 3(3) where the authorized person

- (a) requests in writing that the authorization be revoked; or
- (b) is bankrupt.

5. Subject to section 6, the Minister or a designated officer may revoke an authorization issued under subsection 3(3) where the authorized person

- (a) has made a misrepresentation in an application made under subsection 3(2);
- (b) has contravened the provisions of an Act of Parliament, or any regulation made pursuant thereto, that prohibits, controls or regulates the importation or exportation of goods; or
- (c) has made a misrepresentation as an authorized person in business dealings with an importer, an importer's agent, Her Majesty or servants of Her Majesty.

6. (1) The Minister or a designated officer shall, before revoking an authorization under section 5, give to the authorized person 90 days notice of the proposed revocation and provide the authorized person with all relevant information concerning the grounds on which the proposed revocation of the authorization is based.

(2) The authorized person may, within 90 days after the day on which the notice referred to in subsection (1) is given, make representations to the Minister or a designated officer regarding why the authorization should not be revoked.

## *Records*

7. Every authorized person shall, in accordance with subsection 40(3) of the Act, in respect of casual goods, keep, for a period of six years following the importation of the casual goods, all records that relate to

- (a) the origin, importation and value of the casual goods;
- (b) where the casual goods were not accounted for in accordance with subsection 7(4) of the *Accounting for Imported Goods and Payment of Duties Regulations*,
  - (i) the destruction of the casual goods, or
  - (ii) the exportation of the casual goods; and
- (c) any application made by the authorized person for an advance ruling under subsection 43.1(1) of the Act in respect of the casual goods.

8. The records referred to in section 7 may be kept on microfilm by means of any photographic or microphotographic process that is in accordance with National Standard of Canada CAN2-72.11-79, *Microfilm as Documentary Evidence*, published by the Canadian General Standards Board in August 1979, as amended from time to time.

9. The records referred to in section 7 may be kept on machine-sensible data media if the media can be related back to the supporting source documents and are supported by a system capable of producing accessible and readable copy.

## *Notification of changes*

10. Every authorized person shall, within two weeks after the change, notify in writing the Minister or a designated officer of any change in

- (a) the address of that authorized person's business office;
- (b) that authorized person's legal or business name; or
- (c) the ownership of the business.

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## **GUIDELINES AND GENERAL INFORMATION**

### **Authorization of Couriers**

1. Casual goods imported by authorized couriers may be released prior to accounting for the goods and prior to the payment of the applicable duties and taxes. Couriers wishing to account for casual goods on behalf of the importer must request authorization to participate in the Courier/Low Value Shipment (LVS) Program. The written request must be submitted to:

Manager  
Postal, Courier and Casual Refund Program  
Canada Customs and Revenue Agency  
Ottawa ON K1A 0L5

**Note:** Details regarding the Courier/LVS Program can be found in Memorandum D17-4-0, *Courier/Low Value Shipment Program – Low Value Commercial Goods*.

2. A courier is eligible to participate in the program if the following conditions are met:

- (a) the courier is a bonded carrier;
  - (b) the courier posts security in accordance with the “Security for Release of Goods” section of Memorandum D17-1-0, *Accounting for Imported Goods and Payment of Duties Regulations*; and
  - (c) the courier has not had its authorization to account for casual goods cancelled within the previous 12 months.
3. The Canada Customs and Revenue Agency (CCRA) may cancel a courier’s authorization to account for casual goods if the courier:
- (a) requests in writing that the CCRA do so;
  - (b) is bankrupt;
  - (c) made a misrepresentation in obtaining the authorization;
  - (d) has failed to comply with any act or regulation that prohibits, controls, or regulates the importation or exportation of goods into or out of Canada;
  - (e) made a misrepresentation regarding the courier’s responsibilities as an authorized courier; or
  - (f) no longer meets the requirements in paragraph 2.
4. The CCRA provides an authorized person 90 days’ notice of its intention to cancel the authorization to account for casual goods. The reasons for the cancellation are provided. During this 90-day period, the authorized person may provide the CCRA with information explaining why the authorization should not be cancelled. The CCRA considers this information before making a final decision.

### **Release and Accounting**

5. Once the casual goods are released by customs, the courier delivers the shipments to the importer. The duties and taxes owing are paid by the importer to the courier. Afterwards, the courier or its agent accounts for the goods on an “F” type entry which is presented to customs before the 24th day of the next month, with the duties and taxes payable by the end of that month.
6. The courier is required to provide the importer with a receipt containing the classification of the goods, the transaction number, and a breakdown of the duties and taxes.
7. If an importer wishes to account for the goods himself or herself, the courier does not release the shipment to the importer but holds the goods until the importer presents satisfactory proof that the appropriate duties and taxes have been paid directly to customs. The importer must note the unique shipment identifier number and contact the courier to determine where the goods are held in a bonded warehouse until the release is effected.
8. The CCRA and certain provinces have reached agreements for the collection of provincial sales tax (PST), harmonized sales tax (HST), and tobacco and alcohol taxes on the importation of casual goods. Casual goods are defined as any goods imported into Canada other than goods imported for sale or for any commercial, industrial, occupational, institutional, or other like use. As a general rule, where an agreement exists between the CCRA and a province, the PST, HST, and provincial alcohol and tobacco taxes must be assessed and collected on imported casual goods.
9. Casual goods may not be accounted for as commercial goods. For those couriers and brokers who do not remit provincial taxes at the time of accounting, their casual shipments will not be released until the payment is made. Further details regarding the accounting of these provincial levies can be found in Memorandum D17-1-22, *Collection of the Harmonized Sales Tax, the Provincial Sales Taxes, Provincial Tobacco Taxes, and Alcohol Mark-Ups/Fees on Casual Importations*, and the rates and provincial agreements can be found in Memorandum D2-3-6, *Provincial Tax Collection Program*.

## **Refunds**

10. To apply for a refund of duties and taxes on casual goods, individuals should submit Form B2G, *Customs Informal Adjustment Request*, along with the receipt copy received from the courier, to any Casual Refund Centre (CRC). The CRC will review and process the request and, where applicable, will refund any duties, GST/HST, PST, and provincial alcohol and tobacco taxes. For more information, please refer to Memorandum D6-2-6, *Refund of Duties and Taxes on Non-Commercial Importations*.

## **Records**

11. Records pertaining to the accounting for casual goods must be kept by authorized persons for a period of six years. The records must include documentation relating to the origin, importation, and value of the goods.

12. If the goods have not been accounted for, documentation relating to the destruction of the goods or their return to the sender must be retained for six years.

13. When claiming the benefits of the United States Tariff, Mexico Tariff, or Mexico-United States Tariff treatment, authorized persons should ensure that they follow the policy guidelines contained in Memorandum D11-4-2, *Proof of Origin*, and Memorandum D11-4-14, *Certification of Origin*. Authorized persons may request that the CCRA provide an advance ruling on the determination of origin of casual goods. Applications for advance rulings must be kept for six years.

14. The CCRA conducts audits of the records relating to the accounting for casual goods. During these audits, the CCRA verifies that all goods have been properly accounted for, destroyed, or returned to the sender. The information used to determine the amount of duties and taxes payable is also verified. Therefore, records relating to casual goods must be kept in a manner that will permit CCRA officials to conduct these audits.

15. Under section 8 of the *Persons Authorized to Account for Casual Goods Regulations*, records may be kept on microfilm if the process used to copy the records is in accordance with National Standard of Canada CAN2-72.11-79, *Microfilm as Documentary Evidence*, published by the Canadian General Standards Board. The original of any document copied and maintained in this manner may be destroyed.

16. Records may also be computerized if the computerized records are cross-referenced to the supporting source documents. The computerized records must be made available in printed copy if requested by the CCRA.

## **Notification of Changes**

17. An authorized person must notify the CCRA of any change in the person's business office address, legal or business name, or the ownership of the business. This notification must be provided in writing within two weeks after the change.

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## REFERENCES

### ISSUING OFFICE –

Import Process Division  
Operational Policy and Coordination Directorate

### LEGISLATIVE REFERENCES –

*Customs Act*, sections 32 and 43  
Order in Council P.C. 1995-1352, August 16, 1995

### HEADQUARTERS FILE –

7586-23/D17.4.1

### SUPERSEDED MEMORANDA “D” –

D17-4-1, January 20, 1997

### OTHER REFERENCES –

D2-3-6, D6-2-6, D8-2-16, D11-4-2, D11-4-14, D17-1-0, D17-1-22, 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.**