

Memorandum D8-2-5  
Locator Code: 0529B

**In Brief**

Ottawa, March 24, 2000

**SUBJECT**

***FOREIGN AIRCRAFT SERVICING EQUIPMENT REMISSION ORDER***

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 update the list of participating countries.

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## SUBJECT

### ***FOREIGN AIRCRAFT SERVICING EQUIPMENT REMISSION ORDER***

This Memorandum outlines the conditions and procedures under which remission may be granted under the *Foreign Aircraft Servicing Equipment Remission Order*.

## Regulations

ORDER RESPECTING THE REMISSION OF CUSTOMS DUTIES PAID OR PAYABLE UNDER THE CUSTOMS TARIFF AND A PORTION OF THE SALES TAX PAID OR PAYABLE UNDER THE *EXCISE TAX ACT* ON MACHINERY AND EQUIPMENT IMPORTED INTO CANADA FOR USE IN SERVICING FOREIGN AIRCRAFT

## SHORT TITLE

1. This order may be cited as the *Foreign Aircraft Servicing Equipment Remission Order, 1992*.

## REMISSION

2. Remission is hereby granted of the customs duties paid or payable under the *Customs Tariff* on machinery and equipment imported into Canada, on or after September 17, 1969, for use exclusively in servicing aircraft registered in a foreign country or territory while at international airports in Canada if it is established that, at the time of the importation, the foreign country or territory grants a similar privilege in respect of aircraft registered in Canada.
3. Remission is hereby granted of the sales tax paid or payable under the *Excise Tax Act* on the goods in respect of which customs duties are remitted by this Order, in an amount equal to the difference between
  - (a) the amount of sales tax paid or payable on the goods, and
  - (b) the amount of sales tax that would have been paid or would be payable on the goods if the duty paid value used to calculate the sales tax were reduced by the amount of the remission of customs duties granted under this Order.

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## GUIDELINES AND GENERAL INFORMATION

### **Servicing Equipment**

1. Appendix A contains examples of those items considered as servicing equipment for purposes of this Order.

2. Servicing equipment imported under this Order must remain within the boundaries of the international airport and is limited to servicing flights operated by air carriers from the named countries or territories listed in Appendix B.

### **Named Countries or Territories**

3. The Commissioner of Customs and Revenue (formerly the Deputy Minister of National Revenue) is satisfied that the countries/territories named in Appendix B are granting Canadian air carriers privileges similar to those granted foreign air carriers operating in Canada under this Order.

### **Application for Remission**

4. Foreign air carriers wishing to apply for remission of customs duty and the tax imposed under Part IX of the *Excise Tax Act* must apply in writing to the regional collector of the nearest Customs Border Services office, and must include in their application the following information:

- (a) the mailing address of their company headquarters;
- (b) servicing equipment specifications and identification marks;
- (c) the customs office where the servicing equipment will be reported;
- (d) the international airport where the servicing equipment will be maintained; and
- (e) the name, address, and telephone number of a person customs may contact to obtain further information.

### **Customs Documentation**

5. Customs will use Form B3, *Canada Customs Coding Form*, to process servicing equipment imported under this Order and will include on the form a reference to the Order in Council number (see “Legislative References” on the last page of this Memorandum). A copy of each Form B3 processed under this Order will be forwarded to the regional Drawbacks and Remissions unit.

### **Exceptions**

6. The provisions of this Order do not apply to aircraft spares, aircraft repair parts, or items to be installed as fixtures in air terminal buildings.

### **Penalty Information**

7. In cases where servicing equipment imported under this Order is removed beyond the limits of the international airport, sold, or otherwise disposed of in Canada, used to service air carriers other than the importer, or where the named country or territory has been removed from the list found in Appendix B, the servicing equipment will be subject to the full payment of applicable duties and taxes. Customs will refer all documentation related to servicing equipment on which duties and taxes are payable, to the regional Drawbacks and Remissions unit for follow-up action.

### **Additional Information**

8. For information on customs' administration of the *Foreign Aircraft Servicing Equipment Remission Order*, please contact:

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

Fax: (613) 957-9717  
Email: [www.carrier@ccra-adrc.gc.ca](mailto:www.carrier@ccra-adrc.gc.ca)

### **Goods and Services Tax**

9. No changes were made to the wording of the *Foreign Aircraft Servicing Equipment Remission Order* as a result of the implementation of the goods and services tax (GST).

10. Regulations made pursuant to subsection 215(2) of the *Excise Tax Act* provide that duty remitted under this Order will not be included in the value for tax when calculating GST payable on servicing equipment.

11. While this Order continues to remit duty, it does not remit GST, since GST is not a "sales tax" as mentioned in paragraph 3 of the Order.

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## **APPENDIX A**

### **EXAMPLES OF FOREIGN AIRCRAFT SERVICING EQUIPMENT**

- 1) Maintenance and servicing equipment, such as:
  - maintenance platforms and steps
  - test equipment for aircraft, aircraft engines, and aircraft instruments
  - aircraft engine heaters and coolers
  - ground radio equipment
  - ground power units to provide electrical power while the aircraft is on the ground
  - air conditioners to control the aircraft cabin air temperatures while the aircraft is on the ground
  - water servicing units
  - sanitary servicing equipment
  - food trucks specially designed to carry food at controlled temperatures to and from the aircraft
  - sprayers (de-icer units)
  - aircraft jacks
  - towbars
- 2) Passenger handling equipment, such as:
  - passenger loading and unloading devices
- 3) Cargo loading equipment, such as:
  - vehicles for moving or loading baggage, cargo, equipment, or supplies
  - cargo loading devices
  - cargo weighing devices
- 4) Components that are machinery or equipment in themselves, such as pumps, engines, rams, when they are for incorporation into equipment imported under this Order. Parts do not qualify for remission under the terms of this Order.

## **APPENDIX B**

### **NAMED COUNTRIES OR TERRITORIES**

Antigua  
Argentina  
Australia  
Austria  
Bahamas  
Barbados  
Belgium  
Brazil  
Bulgaria  
Cayman Islands  
Chile  
China  
Costa Rica  
Cuba  
Czech Republic  
Denmark  
Dominican Republic  
Egypt  
El Salvador  
Fiji  
Finland  
France  
Germany  
Greece  
Guatemala  
Haiti  
Hong Kong  
Hungary  
Iceland  
India  
Indonesia  
Ireland  
Israel  
Italy  
Ivory Coast  
Jamaica  
Japan  
Jordan  
Korea  
Lebanon  
Malaysia  
Mexico  
Morocco  
Netherlands  
Netherlands Antilles  
New Zealand  
Nicaragua  
Norway  
Pakistan  
Peru

Philippines  
Poland  
Portugal  
Romania  
Russia  
Saudi Arabia  
Singapore  
Spain  
Saint Lucia  
Slovak Republic  
St. Kitts and Nevis  
Sweden  
Switzerland  
Taiwan  
Thailand  
Trinidad and Tobago  
Turkey  
Ukraine  
United Kingdom  
United States  
Venezuela

## REFERENCES

### ISSUING OFFICE –

Import Process Division

### LEGISLATIVE REFERENCES –

*Financial Administration Act*, section 17

C.R.C., c. 764

Order in Council P.C.1992-2397

### HEADQUARTERS FILE –

8123-0, 8455-4

### SUPERSEDED MEMORANDA “D” –

D8-2-5, November 21, 1991

### OTHER REFERENCES –

N/A

**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.**