

MEMORANDUM D3-2-1

Ottawa, August 9, 2001

In Brief

SUBJECT

INTERNATIONAL AIR TRAFFIC

This is a revision to page 7 of Memorandum D3-2-1 of March 23, 2000. In the current version of the Memorandum, the telephone number given for the Canadian Transportation Agency in paragraph 29 is no longer valid. Please replace the old version of page 7 with this new version.

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Ottawa, March 23, 2000

SUBJECT

INTERNATIONAL AIR TRAFFIC

This Memorandum outlines the customs procedures for the reporting, use, and control of aircraft in international service.

GUIDELINES AND GENERAL INFORMATION

REPORTING

1. Pilots must land at either a Canadian authorized Airport of Entry (AOE) or a pre-approved CANPASS site. In either case, failure to report to customs in the appropriate manner could result in seizure and forfeiture of the aircraft.

AIRPORT DESIGNATORS

2. Airport of Entry (AOE) designations indicate airports that have been authorized by customs for the arrival and departure of international flights. The AOE designation refers only to customs requirements and does not apply to the airport's physical facilities or operational capabilities.
3. Subject to operational and safety requirements, the number of international passengers processed by customs at a given time may be restricted. In some locations where passenger restrictions are in place, staged off-loading may be allowed to accommodate larger aircraft. The air carrier or its agent is responsible for controlling the delivery of passengers. For more information about staged off-loading, see Memorandum D2-5-1, *Charter Access to Airports*.

DEFINITIONS

4. (a) **AOE** – Authorized airport of entry for all classes and sizes of aircraft.
- (b) **AOE – 15** – Authorized airport of entry for aircraft carrying no more than 15 passengers.
- (c) **AOE – 100 (staged off-load 200)** – Authorized airport of entry for aircraft carrying no more than 100 passengers, or if off-loading is staged, no more than 200 passengers.

Note: To determine availability of customs commercial services at specific airports, please refer to Memorandum D1-1-1, *List of Customs Offices*.

DOCUMENTATION

5. Scheduled or non-scheduled commercial carriers operating international or transborder flights will not be required to submit Form AG1, *General Declaration (Outward/Inward)*, or an equivalent document for deplaning passengers and crew when they are processed by customs officers at a customs facility

established for that purpose. All air cargo carried on these flights must be reported on an IATA air waybill or on Form A8A, *Customs Cargo Control Document*.

6. Airlines operating “all cargo flights” do not have to submit Form AG1 or equivalent document. All freight must be reported on a cargo control document acceptable to customs.
7. Pilots operating non-commercial flights do not have to submit Form AG1. However, they are required to report in person to customs. The aircraft will be recorded on Form E99, *Canada Customs Report*, as proof of report.
8. In the Yukon, Northwest Territories, and Nunavut (north of the 60° parallel), where customs procedures are enforced by a party other than customs, i.e., RCMP officers or employees of a Canadian government organization, the general declaration will be required for all flights.
9. A general declaration or equivalent document will not be required for any aircraft departing Canada; however, the export of certain goods must be reported. For more information, see Memorandum D3-2-4, *Air Cargo – Export Movements*.
10. There may be occasions when a general declaration is required by the aircraft operator as proof of report into and exit from Canada. As a courtesy, customs will continue to validate this document with a customs date stamp.

PROVISION OF CUSTOMS SERVICES

11. The business hours and types of customs services available at designated airports of entry may vary according to the type of airport, geographical location, facilities, or season. Office information, including addresses, telephone numbers, hours of operation, and types of services available, can be found in Memorandum D1-1-1.
12. At certain airports, customs may require notice before they accept international air traffic. Prior Notice Required (PNR) is indicated in Memorandum D1-1-1 as well as many aeronautical publications. If there is any discrepancy, Memorandum D1-1-1 will take precedence.
13. Cost recovery or special service charges for new or additional customs services may apply at certain airports. Cost recovery information can be found in Memorandum D1-2-1, *Special Services*, or you may contact the local customs office at the airport of destination.
14. Where international charter service for remuneration or hire is considered, approval guidelines and conditions may be found in Memorandum D2-5-1.

CANPASS PROGRAM

15. The CANPASS program allows for pre-screened and pre-approved CANPASS members to land at certain sites when or where regular customs services are not available. Approved members are also exempted from cost recovery or special service charges when landing at designated airports of entry outside of the normal business hours. For additional information on CANPASS, please contact your local customs office or write to:

CANPASS PROGRAM
Canada Customs and Revenue Agency
191 Laurier Avenue West
Ottawa ON K1A 0L5

Authorized Use of Private and Company-Owned Aircraft

16. A foreign non-tax paid aircraft is restricted to international flights from a point abroad to a point or points in Canada and return. The carriage of Canadian residents to and their arrival from foreign destinations is permitted provided the flight is limited to international service.

17. The non-commercial operation of non-Canadian private aircraft by a non-resident of Canada is generally unrestricted. Customs procedures pertaining to these aircraft are explained in greater detail in Memorandum D2-1-1, *Temporary Importation of Baggage and Conveyances by Non-Residents*.

18. Non-Canadian corporate aircraft operating in Canada are restricted to operating international services into or out of Canada and are not permitted to operate point-to-point domestic services within Canada. In the performance of international service, the aircraft may stop at more than one Canadian location and disembark or re-embark passengers, provided the passengers are the same passengers who originated outside of Canada. Similarly on the outbound portion of an international flight, the aircraft may stop at one or more locations in Canada and may disembark and re-embark passengers who are ultimately taken out of Canada as part of the outbound international service.

19. Within the definition of an international flight, customs has traditionally allowed the uplift of Canadian passengers when their carriage was incidental to the intended or declared purpose of the flight.

Example: A United States based aircraft carrying company personnel from a location in the U.S. to a branch meeting or conference in a Canadian city may, while en route to the meeting or conference, stop at another Canadian city and pick up additional personnel who will also be attending the same meeting or conference. They may subsequently return the same Canadian passengers to the Canadian city where they were embarked, during the return portion of flight destined to a point in the United States.

Note: Customs generally considers all corporate aircraft to be non-commercial operations unless specifically engaged in a commercial charter or other operation for hire or remuneration. However, some corporate operations may be classified as commercial air services under other government legislation and may be prohibited from operating an air service between two points in Canada. Corporate operators are advised to consult with the Canadian Transportation Agency (CTA) regarding possible restrictions on carrying passengers between points in Canada (see the address in paragraph 29).

20. Under no circumstances may a foreign non-tax paid aircraft enter Canada for the sole purpose of carrying passengers from point to point in Canada. In this situation, it is deemed that the aircraft is imported for that specific purpose and is not performing an international air service.

21. When an aircraft that is privately owned by a non-resident company or an individual arrives in Canada with goods or equipment from abroad, the stop required for customs clearance is not considered an interruption in the international flight. Therefore, the goods or equipment may be conveyed, after clearance, on the same aircraft to its destination.

Aircraft for Demonstration

22. As explained in Memorandum D8-1-9, *Imported Demonstration Aircraft Remission Order*, aircraft may be temporarily imported for demonstration purposes without the payment of the GST.

23. Aircraft imported for demonstration purposes are to be imported on Form E29B, *Temporary Admission Permit*. Any aircraft sold in Canada is to be formally accounted for immediately to cancel Form E29B. See Memorandum D8-1-9 for complete instructions.

Foreign Aircraft Servicing Equipment

24. Machinery and equipment for use within the confines of an international airport to service inbound and outbound flights of foreign registered aircraft may be imported into Canada without payment of customs duties but subject to the GST. For more specific information, refer to Memorandum D8-2-5, *Foreign Aircraft Servicing Equipment Remission Order*.

Restriction on Use of Foreign Aircraft

25. CTA approval for a flight does not constitute authority for a non-tax paid aircraft to engage in gainful operations between points in Canada.

26. From time to time, non-tax paid aircraft are chartered by groups of non-residents who wish to visit several Canadian centers. Normally, the point-to-point carriage of passengers by a non-tax paid non-Canadian aircraft would be considered a cabotage movement. However, such movements are allowed if the passengers originated outside of Canada and are initially brought into Canada by a carrier that is operating under a continuing tour charter.

CTA Licences

27. In addition to customs requirements for aircraft involved in international service, most commercial air carriers also require a licence from the CTA. Licences fall into three general categories and include:

- (a) domestic service – for Canadian carriers only;
- (b) scheduled international service – for Canadian and foreign air carriers; and
- (c) non-scheduled international service – for Canadian and foreign carriers including those designated pursuant to the *Air Transportation Agreement Between the Government of the United States of America and the Government of Canada*.

28. Non-Canadian air carriers providing a commercial air service authorized under a licence issued by the CTA, cannot embark passengers or cargo at one point in Canada to transport to another point in Canada. However, the licensee may provide a stopover at any point in Canada that is restricted to passengers enplaned in the United States who will subsequently be returned to that territory. In this case, the aircraft must remain with the passengers unless the use of two different aircraft is specified in the terms of the charter contract.

29. For complete information on CTA licensing requirements, aircraft groupings, and charter types, you may contact:

Secretary
Canadian Transportation Agency
Ottawa ON K1A 0N9

or call

during normal hours: (819) 997-6359
after normal hours: (613) 769-6274

30. Customs conducts periodic inspections of aircraft documents to confirm compliance with the operating limitations set by the CTA.

International Flights, Canadian Armed Forces Aircraft

31. Aircraft operated by the Canadian Armed Forces are not permitted to carry in-bond goods between points in Canada since the Armed Forces is not a bonded carrier.

32. All aircraft must make their initial landing in Canada at a customs airport when flying internationally and carrying merchandise, baggage, or persons other than regular crew members. The pilot is responsible for any advance notice required, for the report inward, and the declaration to customs of all passengers, cargo, and baggage carried on the flight.

Aircraft Operated by Armed Forces – Foreign Nations

33. Aircraft operated by armed forces of foreign nations are required to report to customs at the time of initial landing in Canada. They are subject to all customs requirements when used to transport personnel, baggage, equipment, mail, or other cargo. Where only a short stopover is involved and no goods are being carried outward that require export documentation, the inward and outward reports will be made at the same time. Aircraft carrying crew members only can report verbally; however, customs may choose to examine the aircraft or the crew's baggage.

Air Search and Rescue Operations

34. Canadian Armed Forces Rescue Co-ordination Centres (RCC) have been established at several locations in Canada. Customs co-operates in every possible manner to expedite the international movement of aircraft operating on search and rescue missions.

35. When an incident arises in either Canada or the United States where aircraft of one or both countries will be crossing the boundary, the officer in charge of the RCC search will immediately provide customs with the following:

- (a) full details of all aircraft participating in the operation, including identification markings and number of crew members;
- (b) territory to be searched;
- (c) duration of stay;
- (d) possibility of landings; and
- (e) definite or probable landing points.

Note: If the information affects territory under the jurisdiction of more than one customs office, it should be relayed promptly to all concerned.

36. Aircraft flying over Canada on search and rescue missions will require no documentation or report unless a landing is made. If the landing is made at a customs airport, a verbal report inward and outward will be satisfactory unless passengers or cargo are discharged or loaded. Where landings are made at points not included in the customs airport list, the RCC will provide customs with the point of landing, identification of the aircraft, duration of stay, and any other pertinent details. This report can either be made verbally or in writing.

37. Any equipment, merchandise, or supplies brought into Canada as part of the joint operation will be allowed free passage, provided it is used during the search or exported at the end of the mission. Any items not consumed or exported will be subject to duties and taxes, where applicable. Checklists of such equipment, merchandise, and supplies should be maintained where necessary. Material from foreign wrecks should be carefully inventoried subject to exportation or importation.

REFERENCES

ISSUING OFFICE –

Carrier and Cargo Policy
Import Process Division
Operational Policy and Coordination Directorate

LEGISLATIVE REFERENCES –

Customs Act
Aeronautics Act
National Transportation Act, 1987

HEADQUARTERS FILE –

N/A

SUPERSEDED MEMORANDA “D” –

D3-2-1, January 1, 1991

OTHER REFERENCES –

D1-1-1, D1-2-1, D2-5-1, D3-2-4, D3-2-5, D8-1-4, D8-1-9, D8-2-5

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.