

**LET'S TALK...
BUSINESS!**

**GUIDE FOR NEW
IMPORTERS**



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INTRODUCTION

Profits...adventure...exotic locales -- these are just some of the images often associated with importing.

People begin importing for a variety of reasons. Some of the most common are:

- they find a better price for an existing product
- they discover a unique product that is not available locally
- they have a business acquaintance or family member in another country who is either currently exporting or interested in exporting a certain product
- they require raw materials for manufacturing which are not readily available

In some respects, an import business is like any other business - it requires a lot of hard work and long hours.

However, an import business is unique in many ways. You will have to manage a higher degree of financial risk. You will also shoulder a greater degree of responsibility when things don't go according to plan. For example, if your supplier does not come through with the goods, you are accountable to your customers. If there is a delay in shipping the goods, you are accountable to your customers. If the necessary documents are not available when the shipment enters Canada, it is your responsibility to provide them to Customs. If you do not have the funds to pay the required duties or tariffs on the imported goods, you are accountable. If the goods are seized because you did not arrange for the necessary permits or licenses, you are responsible for obtaining them.

This should not discourage you from considering an import business. Rather, it should make you aware of

how important it is to thoroughly research and carefully plan for this type of venture.

BEFORE YOU BEGIN...

Research is the key to any successful business venture and import operations are no different. In fact, because there are more regulations affecting an import venture and there is a greater financial risk associated with importing, it is imperative that you do your homework prior to taking any action or forming any agreements. They key areas to consider are:

1. What product do you want to sell? In any business you need to know your product. This not only gives you credibility with your customers but gives you an advantage when negotiating with your suppliers. Knowledge of an industry can also help you spot potential trends and pitfalls associated with certain products.
2. You need to find out if there are any restraints to bringing the product into the country. These can be in the form of import permits, licenses, higher tariffs, duties or quotas which will ultimately affect your costs.
3. You must consider which transportation options are available to bring the product from it's point of origin to Canada. Are the goods perishable? If so, then you may have no choice but to transport them by plane which will increase your costs. However, if there is a demand for the fresh product you are supplying, you may be able to offset the transportation costs by increasing your sale price accordingly. Does your product require special packaging to prevent damage? This will also impact on your costs.
4. What country will you get your product from? What are the costs of transporting the goods from this country? What transportation options are available? Is the country stable or is there a history of unrest, war or

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strikes? Is this country prone to natural disasters? Do you understand the language and culture of the country well enough to do business with the people there or will you have to hire someone to help you?

5. Is there a market for your product? If there is no demand for your product at the price you need to charge in order to see a profit, the venture will not succeed.

6. Can you get the product that you need when you need it in the quantities you require? The reliability of your supplier and planning the transport process will become key factors in meeting the demands of your customers.

7. Do you have the funds to do this? Importing can be costly, especially if events do not unfold as you had anticipated. Fluctuations in foreign exchange, sudden increases in duties and taxes, or transportation delays are just some of the circumstances which can impact on your profit. It is important that you factor these into your business plan to lessen your financial risk.

8. Most importantly, can you get your product from the point of origin into Canada? Even though you can import almost any good into Canada, you will have to comply with certain conditions imposed by the federal and, on occasion, provincial governments. If these conditions are not met, Customs officers will seize the goods. Some examples:

- Do you require an export permit from the country of origin so that the goods may leave the country?
- Is the article prohibited entry into Canada? Hate literature and pornography are two examples of goods that fall into this category. Although very few goods are prohibited under annex VII of the Customs Tariff, be aware of it. It also covers goods that are kept out of Canada pursuant to interna-

tional sanctions.

- Do you require an import permit? Certain items such as steel, wheat, barley, supply-managed farm products (dairy, chicken, eggs, turkey), firearms and a few miscellaneous items are subject to import controls and require a permit. These are all found on the Import Control List. Other items that affect public health or safety require a permit, certificate, licence or other specific document, or must meet certain safety standards. See Appendix C.

- Is the article subject to some other federally-imposed condition? For example, goods for retail sale must comply with labelling laws; motor vehicles have to meet emission control standards; food and agricultural products have to pass health and sanitary standards. Customs can usually advise you on this.

- Is the article subject to some privately-certified standard? For example, all electrical appliances and equipment must be certified by the Canadian Standards Association before they can be sold in Canada. See Appendix A for contacts.

- Is there a provincial regulation to comply with? For example, imports of liquor, wine and beer fall under provincial jurisdiction and therefore require prior authorization from the appropriate liquor commission before Customs will clear them.

- Most imported goods are subject to customs duties (imposed under the Customs Tariff) and the GST; both are collected by Customs at the time of importation and levied on the landed value of the goods. Customs also collects anti-dumping and countervailing duties on a few goods that have been found to be sold under unfair conditions.

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See our regulations section as well as Appendix C.

START YOUR BUSINESS

If you plan to import, you need to set up a business. Contact the Canada/Manitoba Business Service Centre for more information on how to start a business (see #1, Appendix A) or follow the guidelines below.

You can run your business from your home or rent office space. No matter where you decide to locate your business, however, there are certain things you need to do to set up a business.

1. Decide whether you want to register a business name, register a partnership or incorporate and register with the Manitoba Companies Office (see #2 Appendix A).
2. As an importer, you must also obtain a Business Number (BN) from the Canada Revenue Agency. (see #3, Appendix A) This number is sometimes referred to as an import number or export number. The BN streamlines the regulatory process by combining various registration requirements into one system.

The BN has 15 digits -- the first nine identify the business while the following two letters and four numbers indicate programs and accounts. The system includes the major programs from the Canada Revenue Agency and Canada Border Services Agency that many businesses may register for such as:

- the Goods and Services Tax (GST)
- payroll deductions
- corporate income tax
- import/export (identified by the letters RM)

A BN looks like this:

123456789RM0002.

To register, you must complete Form RC1 - Request for a Business Number which is available at any Canada Revenue Agency office and online. There is no charge to open this account. Note that you must indicate this number on your customs documents when importing.

3. You may decide to operate your business from home. In the City of Winnipeg, all home businesses require a home occupation permit **and** a business license, and certain home businesses also require a regulatory license. (see #4, Appendix A) If you are outside of Winnipeg, contact your local municipal office for home business requirements.
4. To protect yourself and your business investment, investigate insurance coverage for business premises/home (fire, theft), vehicle, liability, business interruption or loss-of-income, disability, and partnership.
5. Decide which business communication services you need such as business telephone, computer with high-speed internet, answering machine or service, cell phone, fax machine or pager.

This is a basic outline of what you need to do to set up a business. The next step will be to set out a business plan specifically for an import business. Contact the Canada/Manitoba Business Service Centre (see #1, Appendix A) for information or try the Interactive Business Planner (<http://www.cbcs.org/ibp/>). The following checklist offers areas that require consideration by importers:

a. your product

- What goods will you be selling?
- Who are you selling to?

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- Do you have any competition? If so, who are they, what are they selling and how do they sell it? What can you do differently to compete effectively?
- Is your product perishable, breakable, large, heavy or awkward?
- Are there any special packaging and labelling requirements when your product reaches the market?
- How will you distribute your product? (i.e. retail outlet, online, consignment, etc.)
- How will your market and/or advertise your product?
- How will you look after any maintenance requirements? What about warranties, guarantees and after sales service?
- Will you take payment by debit or credit card?

b. the logistics

- What country will you be getting the product from?
- What mode(s) of transportation will you use to bring the product into Canada?
- How long do you estimate it will take for the goods to arrive?
- Will you be hiring a customs broker and/or freight forwarder to assist you?
- What type of packaging and labelling will you need to transport the goods?
- Are there any regulations that may affect the goods leaving the country of origin and/or entering Canada? If so, what licenses, permits or other authorizations will be required when the shipment arrives?
- Where will you sell the product - locally, provincially or inter-provincially? What, if any, are the extra costs involved in getting the product to these markets?

c. costing

- What will it cost to transport your goods?
- How much will it cost for permits, licenses or other authorizations?
- What are the duties, taxes, insurance and ware-

housing costs associated with your venture?

- Will you hire a customs broker, freight forwarder and/or agent? If so, what are their fees?
- Do you have the necessary financing or do you require a loan?
- Does your bank have an international division to efficiently handle monetary and document transfers between countries?
- What is your pricing strategy?
- What are your discounting policies?

DO YOUR RESEARCH

Research sets the stage for success. Proper research involves time, money, and the determination to find the answers to all your questions. From the marketplace and consumer behaviour to import procedures and shipping terms -- your first goal is to become well versed in these topics.

Where do you start? Most potential importers already have a product in mind. Ideally, your product will be something you are familiar with or within an industry you know well. This knowledge will increase your chances for success as you already know the market and understand how new products or other developments may affect the industry. However, if you are not familiar with the product or sector you're dealing in, educate yourself by studying industry publications.

a. identify your market

The first stage of your research is to decide who your product is for. Is it aimed at infants, children, adults, teenagers, the elderly, or a combination of these?

The next step is to determine whether or not there is a demand for your product. One of the simplest ways

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of doing this is to ask yourself whether you would buy the product for either yourself, your children, or other family member if you came upon it in a store (and be honest!). Ask friends, family and business acquaintances if they would purchase this item for themselves or other family members if they were out shopping and happened to spot it. Check and double-check your findings. If the answers are positive and you want to further investigate the public's buying habits, contact the Canada/Manitoba Business Service Centre (see #1, Appendix A).

b. what are people buying?

Start observing people. Have you ever paid close attention to what they are buying? Ask yourself:

1. How do consumers choose the items they purchase -- is it the low price, superior quality, popular brand name, attractive packaging, usefulness, uniqueness, the product's advertising, location on the store shelves, or a combination of these?

2. What are the latest trends? Be particularly conscious of this if you're planning to import fashion items, but be up-to-date on it no matter what category your goods fall into. If you're importing Turkish carpets and the trend in home decorating is a rustic country cottage look, you'll have trouble unloading them. Or, if you're importing food products with a high fat content and the trend is towards healthy, low-fat eating, you'll be stuck with a product no one wants.

3. Which products sell out faster than others and which products collect dust on the store shelves year after year?

4. Is your product seasonal? You may have fallen in love with those loose, comfortable summer dresses

you found in Asia, but if you're going to sell them in Winnipeg you will have a very limited market for them and a short time frame in which to sell them.

5. "New" technology could be here today and gone tomorrow. Take care to research the market if you are planning to import any items considered to be "the latest technology".

In addition to the points noted above, your product must have a comparative advantage over others such as a lower price, a higher quality than comparable products on the market, or else be unique.

FINDING SUPPLIERS

At this stage you've done your market research, know what product you're looking for, and from which area of the world it comes from. Now all you need are suppliers. Directories listing foreign manufacturers and exporters will be useful in the search for suppliers. The Canada/Manitoba Business Service Centre carries a selection of foreign trade journals which are available for use in your research.(see #1, Appendix A) You can also locate foreign companies on the Internet.

Foreign trade offices in Canada (see Appendix B) are another source of information for the importer. You can contact them to request trade directories and further information on suppliers in their country. These foreign representatives are located in Canada to promote their country's goods and services and encourage trade between the two nations.

You may choose to travel to the country of interest in order to locate suppliers. There are several advantages to visiting abroad:

- It allows you to make direct contact with your

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suppliers or agents.

- You have the opportunity to personally see their operations.
- You can inspect their products closely if you have never seen them first hand and determine whether or not the product requires modification.
- It provides an opportunity to build a relationship.

A visit to the foreign supplier can also provide information on any export controls that would inhibit the flow of goods. Information sources in foreign markets include market research organizations and industry associations as well as agents, distributors, and consultants.

Another excellent way to meet foreign suppliers and agents is to attend a trade show overseas. You can browse at your leisure, inspect a wide range of products first-hand, and spend time with a number of different sellers.

THE SUPPLIER

When you meet with potential suppliers, offer to sell the product exclusively throughout Canada as either an agent/broker or distributor/wholesaler. Occasionally, foreign suppliers are reluctant to grant exclusive rights nationally and in return may offer either a provincial territory or group of provinces. The foreign supplier may already have established accounts in Canada and require that these be excluded from any representation agreement. Any restrictions imposed by the supplier should be carefully considered before entering into an agreement unless the product has an unusually high market potential.

Other things to consider when looking for a supplier*:

- How extensive is the product line from the sup-

plier?

- What is the turnaround time on orders from the time that they receive it to the time that it is shipped?
- What is the supplier's preferred method of shipping goods, or are alternate methods of shipment available?
- Are prices quoted F.O.B. (an Incoterm meaning Free on Board - see INCOTERMS link in Appendix B) warehouse or delivered to the store?
- Are there volume discounts for buying in quantity?
- Are there credit terms available? At what point may you be able to access them?
- Are cash discounts available to encourage early payment of credit, i.e., 2 percent—10 days, Net 30 (If you pay the bill in 10 days, you will receive a 2 percent discount, otherwise, the balance is due in 30 days)
- Can defective, damaged, non-selling, or overstocked merchandise be returned or be "stock balanced" (substituted) for a saleable product?
- If merchandise can be returned, who pays the freight and is there a restocking charge?
- Does the supplier offer advertising support?

* List prepared by: Saskatchewan Industry and Resources, Business and Co-operative Services

Once you have chosen a potential supplier, research the company's background thoroughly to ensure it has a sound reputation. Trust is a major aspect of an importing relationship as your business will depend upon the supplier providing the goods you need. When searching, check out more than one potential supplier in case you need a backup. At this stage, a face to face meeting is usually required.

When negotiating any kind of agreement, always arrange for a translator if you are not completely fluent

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in the language of the country you're visiting. Being able to speak the language "a bit" is not good enough -- misunderstandings can cost you the deal.

After you have made contact with suppliers you can request a price list, catalogues, and samples. If the samples are acceptable, you can test them in the market. However, be persistent when negotiating for free samples.

THE AGREEMENT

Make sure all agreements with your supplier are **in writing** and clearly state which party is responsible for transportation costs, required packaging (type and amount of packaging), delivery times, storage, insurance, and any minimum requirements (e.g. you have to order a minimum of 100 units every 90 days).

ORDERING GOODS

Make use of facsimile, e-mail or written correspondence to get price quotes. A quote should specify:

- quantity and description of the goods
- price per unit
- packaging costs
- freight costs
- insurance
- CIF (an Incoterm meaning Cost, Insurance and Freight) price and destination
- FOB (an Incoterm meaning Free on Board) price and port of export
- payment terms
- responsibility for additional fees and charges
- effective time frame of the price quote

Ask for specific prices each time to confirm the net price and estimate shipping costs so you can open a

letter of credit in the right amount. You also need to agree on a minimum order size and the quality of the goods.

FOREIGN TRAVEL

If you do decide that travel is necessary, make the following arrangements prior to leaving:

1. Investigate the state of affairs in the country of interest. Is it experiencing unrest, or is it generally unsafe to travel there? If so, you may decide to find a supplier in another country. The Department of Foreign Affairs and International Trade publishes Travel Reports for Canadians (see Appendix B) visiting foreign countries on business or for pleasure. Included in these reports are health and personal safety advisories, entry requirements and general demographic information. These reports are updated on a regular basis. You can also access the Public Health Agency of Canada's Travel Health Advisories (see Appendix B) which warn Canadian travellers of potential health hazards in foreign countries and, in some cases, recommends precautionary measures to be taken.
2. Look into the office hours, national holidays, and the particularly busy times of the year (i.e. tourist season) in the country you are travelling to.
3. Ensure that you make contact and set up appointments well beforehand.
4. Check and double-check flight schedules, accommodations, and re-confirm all meetings. Make sure you have the necessary identification papers, visas, passports, vaccinations, traveller's cheques and foreign currency.
5. Have your business cards translated into the lan-

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guage of the country you are travelling to. This simple gesture of courtesy can pay for itself many times over.

6. If you are not familiar with the language of the country you're visiting, arrange for a translator.

7. Investigate the country's background and culture (see Culture in Appendix B). Are there certain behaviours or gestures that are unacceptable? Is the business protocol different from that in Canada?

Making productive use of your time abroad will require detailed preparation and a serious time commitment when meeting with potential sellers and agents. Also allow for extensive follow-up depending upon the business culture in the country.

FOREIGN AGENTS

There is always a risk when you have to rely on individuals outside your operation. Disputes regarding the price of the goods, incomplete paperwork that delays shipping, or other matters can arise without notice. To minimize these risks, deal as closely as possible with the principal parties. Dealing with too many "middlemen" will complicate the situation and add to your costs. If you have the contacts and expertise to look after matters independently, you may not even require an agent. However, it is wise to use an agent in the country that you're importing from.

An agent can also find suppliers, look into their background, and help you secure better prices for the goods. A good agent will inquire as to your import interests and keep you posted on any new opportunities as well as local conditions that may affect your supply.

Before finalizing any agreement with an agent, do your research. Find out the company name, address,

phone, fax, e-mail, contact person, years of experience, number of employees, products they represent and/or specialize in, other individuals or organizations they represent, and warehousing facilities. In addition, ask for references and follow up on them. Use your resources to investigate and secure a good agent -- this person will be one of the most important links in your organization.

An agent's fee is usually 7% - 15% of the actual cost of the goods. Make sure you find out ahead of time what your agent will be charging and factor this into your overall budget.

CUSTOMS BROKER

A customs broker offers the following services:

- liaison with Canada Border Services Agency which includes obtaining, preparing, and presenting or transmitting the necessary documents or data
- shipping advice
- monitoring the status of shipments
- keeping abreast of new developments and regulations and advising of their effect on imported goods
- obtaining the release of imported goods
- making the necessary payments in order to take possession of the shipment
- maintaining records
- responding to Canada Border Services Agency requests or concerns after payment is made

One of the main reasons for hiring a customs broker is to free up the importer's time to take care of other business matters. Also, a customs broker's expertise in bringing goods across the border can prevent errors, thereby saving the importer time and money.

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The more complicated the shipment, the better it is to retain the services of a customs broker. For example, there could be mistakes in the documentation if a wide variety of goods falling under different classifications are sent in a single shipment. Or, the goods may be subject to special import controls.

Customs brokers are not federal government employees. However, they are required to pass an examination administered by Canada Border Services Agency prior to becoming licensed by the department. Because a customs broker is a business person, he or she will charge a fee for their services. Find out what this is ahead of time and factor it into your costs.

When choosing a customs broker, get a number of quotes from different companies. Decide which services you require and find out exactly which charges apply to each specific service. As the importer, you are liable for all duties owing until either you or your broker pays them. This applies regardless of whether or not you paid the amount to your broker. Therefore, make sure the broker you select is reliable and financially reputable. Don't be embarrassed to ask for references -- that is, companies they have done work for. Then call these companies and ask them if they were happy with the broker's services.

Remember the "Introduction" - you are responsible for all aspects of the shipment. If you are not familiar with the import process, a good customs broker can save you a lot of time and money, as well as prevent some major headaches!

FREIGHT FORWARDING

This is an important aspect of the import process, especially if you're new to the field. A freight forwarder looks after the transportation of your merchandise,

whether it be by air, rail, truck or ship, or a combination of these methods.

Their services include:

- estimating transportation costs as well as any other related fees such as port charges
- selecting a suitable carrier for your product
- negotiating arrangements to move the goods with the carrier(s)
- preparing the necessary paperwork
- arranging warehouse storage and cargo insurance

If the contract between you and your supplier stipulates CIF (cost, insurance and freight), then the supplier is responsible for shipping the goods to the designated Canadian port. You may, for example, be receiving your goods CIF Montreal. This means that once your shipment arrives in Montreal, ownership of the cargo transfers to you. You are responsible at this point for transporting the goods to your business in Manitoba. A freight forwarder can take care of these arrangements on your behalf.

Freight forwarding is a highly competitive field, so contact more than one company that specializes in these services and do a cost comparison. Charges are based on the weight, distance, and type of goods being shipped.

A listing of freight forwarders can be found in the yellow pages of the telephone directory. For more information on these companies, contact the Canada/Manitoba Business Service Centre (see #1, Appendix A) or, if you have Internet access, read "International Freight Forwarding in Canada" (see Appendix B) or locate a listing of freight forwarders around the world on Freightnet (see Appendix B).

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a. methods of transport

There are four basic methods of transport to bring your goods from the foreign port of export to Manitoba. They are:

Truck: A popular option for shipments within North America or when delivering goods to Manitoba from the port of entry in Canada. Options include general carriers, specific-commodity carriers, and private carriers. Costs are based on truckload and less-than-truckload quantities.

Rail: Another common option when transporting goods within North America or from the port of entry in Canada. Prices are based on the carload -- a full carload will be cheaper than a partial carload.

Air: The most costly of all transport methods. There are also length and weight restrictions for air freight. However, the higher costs may be offset by faster delivery, lower insurance and warehousing costs, and better inventory control.

Ship: Large items, bulk commodities and items that do not require fast delivery can be shipped economically by sea. However, there are minimum weight requirements for ocean freight which may be three to four times greater than air requirements. With ocean freight, your goods are shipped in 20 foot and 40 foot containers or in crates. The container charge will be less if you are able to fill one completely. If you don't have a full container load, you can lower your cost by "piggy backing" onto another partial shipment.

Minimum weight charges apply to freight arrangements. Therefore, compare various combinations of ocean and land transport. You will also be responsible for specifying the amount and type of packaging needed.

Be prepared for the possibility of delays when transporting your goods by sea. This can occur when shipping containers are full before your goods are considered. However, the volume of goods you ship will reflect the amount of influence you have with carriers. If you are a frequent customer who pays the bills on time, you'll have greater influence over when your shipment leaves. This is an important factor as shipping delays can be as long as four weeks.

b. packing your goods

Deciding how you will pack your product so it arrives safely at its destination is going to be based on the type of product (i.e. Is it perishable? Will temperatures that are too hot or too cold affect it in some way? Will moisture damage it?), its size, shape, weight and fragility. You will also have to consider the method of shipment and how the package will be handled. It can be dragged, dropped, thrown down a chute, pushed, rolled, or stacked on top or below other items. If the goods are sent by truck, the ride could be bumpy - keep in mind not all roadways in foreign countries are in the same condition as those in Canada. If sent by ship, the goods are subject to moisture and humidity. They may also get tossed around if the weather is rough. Some foreign points may not have the facilities for storage and the goods can be left outdoors where they are subject to the environment or pilferage.

You have the option of hiring a company to do the packing or using the services of a freight forwarder.

c. receiving your goods

Costs involved when receiving a shipment include duty, sales tax, interest on the money tied up in a letter of credit, and any other bank, agent or brokerage

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charges.

The Canada Border Services Agency has the power to inspect, hold and seize shipments. When the goods arrive, the Canada Border Services Agency holds them “in bond”, meaning until the duty on the goods is paid.

The Canada Border Services Agency offers a general information seminar on how to import commercial goods into Canada . If you require help tracking your goods, maintaining the paperwork or managing the regulatory aspect of importing, hiring a customs broker is recommended.

d. marking and labelling

The marking on your packages is for shipping purposes and must conform to the commercial invoice/bill of lading. Items to be marked include weight, special instructions (i.e. cautionary remarks such as “this side up” along with the corresponding international pictorial symbols), buyer’s name, point of entry into Canada, and country of origin. These are just a few examples.

The labels on your packages must be in english and the language of the country you are shipping from in order to alleviate any confusion. Most importantly, the labels must meet the customs regulations of the country of exit and entry as well as include other details such as where the product was made or manufactured, name of the producer or shipper, and certain product details (i.e. weight, ingredients, etc.) but yet be vague enough to conceal the actual product’s identity in order to protect the goods from theft. Again, this list is not a complete one, however, a freight forwarder can look after all marking and labelling requirements for you.

e. insurance

Whether you use the services of a freight forwarder or arrange for the delivery of the goods on your own, your cargo must be insured. Transport companies will only assume limited liability if your goods are damaged or lost. As the importer, you want to receive your product in good condition. Find out what insurance the supplier has arranged for when negotiating an agreement.

Marine insurance covers not only ocean cargo but air cargo and connecting land transportation. Generally, the policy will be special cargo indicating that only the one shipment is covered, or open cargo which will cover all shipments made by an importer. The latter is generally used by importers who frequently ship in large volume.

The three main types of coverage are:

- FPA - Free of Particular Average which provides minimal coverage;
- WA - With Average offers more complete protection; and
- All Risk which offers the most comprehensive protection.

As with any insurance coverage, there are many terms, conditions and exceptions so make sure you understand exactly what is and is not covered. Insurance can be set up independently with an insurance company or through a freight forwarder.

DOCUMENTATION

For all commercial shipments entering the country, the Canada Border Services Agency requires specific

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documentation. The following provides a brief description of required documents, what each document is, and who is responsible for providing them.

The foreign supplier/exporter/vendor is responsible for shipping the goods and generally provides:

- **Packing List** - a detailed list of the shipment that includes quantities, items, model numbers, weights and dimensions. This document is not required by Customs but is often used for additional information on the shipment.
- **Bill of Lading** - a document provided by the exporters/vendor/supplier to the carrier describing the goods to be shipped and stating the terms of transport. The carrier signs a copy of the Bill of Lading as evidence of the transfer.
- **Commercial Invoice** - the amount owed to the supplier/exporter/vendor
- **Canada Customs Invoice** - this document is used to determine the classification of the goods (HS code); the value for duties and taxes; and tariff treatment.
- **Certificate of Origin** (applicable if you are qualifying for tariff treatment under one of the trade agreements to which Canada is a signatory. See "Tariff Treatment" in this publication) - details the goods and attests to their place of origin. Importing goods that fall under a trade agreement can lower or eliminate duty.

The carrier (company transporting the goods) provides:

- **Cargo Control Document (CCD)** (also referred to as manifest, waybill or advice note) - indicates the shipper, consignee, shipment packing, weight and general description of the goods. This is based on the Bill of Lading. This document must be provided to Customs to release the shipment.

The CCD is required to report the shipment to the

Canada Border Services Agency and is provided to your customs broker along with the documents supplied by the exporter/vendor/supplier noted above.

If your imports are valued at \$1,600 (Cdn) or more, the Canada Border Services Agency requires the following documents:

1. Bill of Lading
2. Cargo Control Document
3. Canada Customs Invoice or Commercial Invoice
4. any special import permits, licenses or certificates (see our Regulations section for more information)
5. any other documents that may be needed to satisfy the requirements of other government departments (see our Regulations section for more information)
6. Certificate of Origin (if you are importing goods covered by trade agreements)

For more information, contact the Canada Border Services Agency (see Appendix A) .

If you are importing commercial goods by mail and your shipment is valued at \$1,600 (Cdn) or more, you still require proper documentation. See Canada Border Services Agency - Postal Program in Appendix B.

DUTIES RELIEF

The Canada Border Services Agency's drawback refund and remissions programs are known as duties relief programs. You can use them to reduce, eliminate or defer customs duties on qualifying goods. These and other programs enable Canadian businesses to compete more favourably in the world market.

Further information on drawbacks can be found in the Memoranda D7 series on the Canada Border Servic-

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es Agency web site. (see Appendix A for address)

Drawback

These programs allow eligible claimants to receive a full or partial drawback of duties paid on items which, in some cases, are imported to manufacture goods which are later exported. Drawbacks are also available for qualified goods used for specified purposes and that are consumed in Canada (according to Schedules IV and V of the Customs Tariff).

Duty Deferral Program

This program allows you to defer payment of duty on goods for export or those you use to process goods for future export. To participate in this program, you must apply to the trade administration services office.

Refunds

Refunds can be obtained of full or partial duties paid on exported or destroyed goods, defective goods, shortages, or equipment removed from the goods and returned to the manufacturer for credit. Further information on refunds can be found in the Memoranda D series.

Remissions

The Canada Border Services Agency administers various legislation, including remission orders and orders-in-council. All goods entering Canada, including those imported or exported temporarily, are subject to duties on their full value unless there is a specific provision in the legislation or regulation that entirely or partially relieves the importer of this obligation. Some of the legislation may apply only to goods imported by a specific importer. Follow this link for a listing of items that qualify for remissions.

National Customs Rulings

Memorandum D11-11-1 provides information on the National Customs Rulings (NCR). An NCR is a written statement provided by Canada Customs to an importer or the importer's agent which outlines how the department will apply specific provisions of existing customs legislation to an importation.

NCRs are provided as an administrative service for the convenience of importers. Although the department is not legally required to provide this service, they will respond to all requests for NCRs unless the exclusions listed in paragraph 24 of the memorandum apply. A copy of the memorandum is available from the Canada Border Services Agency.

Additional information on tariff classification, value for duty and rate of duties and taxes can be found on the Canada Border Service Agency's web site. (see Appendix B for address)

TARIFFS

When locating your supplier, tariff treatment should be factored into your plan. Reduced rates apply to countries listed in the following agreements:

- Most-Favoured-Nation (MFN)
- Least Developed Country
- General Preferential Tariff (GPT)
- New Zealand and Australia Tariff Treatments
- Commonwealth Caribbean Countries Tariff

Canada is also a signatory to the following international trade agreements which offer preferential tariff treatment:

- Canada - Chile Free Trade Agreement

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- Canada - Costa Rica Free Trade Agreement
- Canada - Israel Free Trade Agreement
- North American Free Trade Agreement (NAFTA)

See “Tariff Treatment” in Appendix B for internet links to more information.

WAREHOUSING

Warehousing saves the importer from paying duty when the goods arrive in Canada and allows them to pay it when the goods are retrieved from a licensed warehouse. This gives the importer the opportunity to move the goods beyond the border or an airport without clearing Customs, yet the goods still remain in Customs’ control. Keep in mind that warehouses do charge fees for storing goods and, if you do consider using them, you will have to budget accordingly.

There are two basic types of warehouse, each of which is licensed by Canada Border Services Agency:

- **Sufferance Warehouse:** these facilities are privately owned and operated. They are used for short term storage (up to 40 days) and the examination of imported goods pending their release by Customs. If the goods are not claimed in the 40 day period, the Canadian Border Services Agency has the right to move the goods, at your expense, to another storage facility.

- **Bonded Warehouse:** these facilities will store imported goods as well as domestic goods bound for export for up to four years. The goods may also undergo value-added alterations in the warehouse such as labeling, repackaging, testing, etc. There is a complete deferral of all duties, including the GST, while the goods remain in the warehouse and are then exported. Duty is payable only on the portion of the goods which enter the Canadian market.

REGULATIONS

The Canada Border Services Agency helps other federal government departments by administering and enforcing regulations on their behalf. This is done to ensure that prohibited and controlled goods are not illegally imported into, or exported out of, the country. For example, Agriculture and Agri-Food Canada examines and provides permits for some meat products, and all restricted or controlled drugs require an import permit from Health Canada. Canada Border Services Agency will verify the permits or conduct inspections on behalf of the other federal departments and detain the goods if necessary.

Controlled goods will require one or more of the following: permit, certificate, special labelling, specific type of packaging (i.e. child resistant) or other authorization. This must be obtained before the goods will be released by the Canada Border Services Agency. Appendix C contains an overview as to which items have controls placed on them and which department importers should contact in order to meet the necessary requirements. Importers are strongly encouraged to investigate all regulatory requirements before entering into agreements with suppliers or attempting to bring goods into Canada.

a. cites

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) sets controls on the international trade and movement of animal and plant species that have been, or may be, threatened due to excessive commercial exploitation.

How does this affect you? You may think that you are not importing a plant, or a tree, or a live animal. Here are some examples, however, of how CITES can af-

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fect your imports:

- Certain turtle and tortoise species are endangered because they are used for pets or for their parts. Therefore, if you plan to import a body lotion containing fluids from this species, you may need a permit or it may be prohibited. Or, if you are importing tortoise shell jewelry, CITES could affect your ability to bring the product into Canada.
- Many corals that may be used in jewelry or aquariums require CITES permits.
- Are you importing shoes or purses made from crocodile leather? CITES permits will be needed.
- Certain tropical woods that are endangered are on the CITES list. If you are importing guitars, check the wood. Furniture stain may contain oils from tropical wood. Certain soaps or candles may use derivatives from endangered trees.

For contact information and internet links, see Appendix A.

b. export and import control system

The Export and Import Control System, a division of Foreign Affairs Canada, issues permits for goods on the Import Control List (ICL), the Export Control List (ECL) and the Area Control List (ACL). The ICL and ECL are lists of goods, some of which are controlled for certain countries of origin (ICL) or destination (ECL) only. All goods contained in these two lists require a permit. The goods on the ICL and ECL currently includes the following types of products:

- certain agricultural products
- steel

- weapons and munitions

As of February 2005, only Myanmar (Burma) is on the ACL. See Appendix A for contacts.

These are only two examples of how your goods can be affected by import regulations.

For more information about other government departments' requirements, see Appendix C of this publication, visit the Canada Border Services Agency web site (see Appendix B) or call the Border Information Service at 1.800.461.9999.

LABELLING

Cosmetics

Cosmetics are defined as "any substance or mixture of substances, manufactured, sold or represented for use in cleansing, improving or altering the complexion, skin, hair or teeth and includes deodorants and perfumes." This definition includes soap. Health Canada administers the requirements for the manufacture, labelling, distribution and sale of cosmetics, and evaluates compliance. For more information, see Appendix B.

Diamonds, Colored Gemstones and Pearls

Canadian Guidelines With Respect to the Sale and Marketing of Diamonds, Colored Gemstones and Pearls apply to any gem, carving, jewel, item of jewelry or work of art containing diamond, gemstone, pearl and related materials. For more information, see Appendix B.

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Down and Feather Products

Down and feather products are subject to the textile labelling guidelines. However, additional labelling requirements for down and feather products include specifications such as:

- when a bird of origin's feathers are stated as the ones used in the product, at least 90% of the feathers must come from that specific bird.
- articles in which the body fill is down but other sections such as sleeves, hood, collar, or pocket are filled with another material that could be mistaken for down, should not be represented as "down-filled".

Note that upholstered or stuffed articles (furniture, pillows, outerwear etc.) destined for sale in Manitoba (as well as Ontario and Quebec) fall under provincial legislation which regulates fillings and requires special labelling. For more information on the Bedding, Upholstered and Stuffed Articles (BUSA) Regulation, contact the Manitoba Consumer's Bureau. (see Appendix A)

Environmental Claims

Specific guidelines for environmental claims have been established within the following categories:

- general claims (i.e. "green", "earth friendly")
- removal of harmful substances
- reuseable containers
- recyclable materials
- degradable materials
- compostable materials

For more information from the Canadian Standards Association see Appendix A.

Food

Labeling requirements include:

- common name of the product (i.e. canned tomatoes)
- net quantity (i.e. bananas by the kilogram)
- list of ingredients
- name and address of the responsible party
- storage instructions
- the "best before" date
- bilingual labels are required, however, there are certain circumstances where the label can be in one language only. Examples include items that fall within the guidelines for a "specialty food" or those that meet the criteria of a test market product.

The Canadian Food Inspection Agency provides details on food labeling and advertising guidelines. See Appendix B.

"Made in Canada"

See Appendix B for a link to the *Guide to "Made in Canada" Claims*.

Non-food Items

Non-food products are those which are neither textiles, precious metals, nor food. For example, a packaged screwdriver is considered a non-food product. Labeling requirements under this category include:

- country of origin (Made in ...)
- what the product is (if it is not apparent using the common name)
- name and address of the importing distributor or "responsible party"

More information is available on the Industry Canada web site. See Appendix B.

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Nutrition

New Regulations published on January 1, 2003, make nutrition labelling mandatory on most food labels; update requirements for nutrient content claims; and permit, for the first time in Canada, diet-related health claims for foods. More information can be found at the Health Canada web site. See Appendix B.

Pet Food

The *Guide for the Labelling and Advertising of Pet Foods* is restricted to the labelling and advertising of prepackaged pet food for dogs and cats, and does not apply to pet treats or to food for other pets. Products that are considered to be “drugs” as defined by the *Food and Drugs Act* are also not covered by this guide. For more information online, see Appendix B.

Precious Metals

Goods within this category include:

- items containing gold, silver and like metals which are not plated
- gold plated articles
- silver plated articles
- plated watch cases
- spectacle frames
- plated flatware
- plated hollow ware

Labelling requirements for this class of goods include:

- statement of quality (i.e. 14kt gold)
- trademark identification of the party responsible for the product. This determines liability for the product.

For more information on regulations pertaining to pre-

cious metals marking, see Appendix B.

Textiles

Labelling requirements include:

- country of origin
- fibre content (man made or natural)
- dealer identification (who made, packaged and exported the product). This includes a tag attached to the material. A CA number may be used in place of the dealer identification and eliminates the need for a specific address as the registrant is issued a five digit code.

For more information, see the *Guide to the Textile Labelling and Advertising Regulations*. Web link located in Appendix B.

Upholstered Furniture

Federal Labelling Requirements for Upholstered Furniture (see Appendix B) and Manitoba Consumer's Bureau (see Appendix A)

SELLING PRICE

There are many factors involved when deciding upon a selling price. The final figure will be based on the costs you pay for insurance, packaging, agent/broker fees, warehousing, financing charges, labelling costs, currency exchange rates, duties, taxes and shipping costs.

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PAYMENT

Virtually all direct transactions between Canada and other countries are handled by Canadian chartered banks on behalf of their customers. The major banks have international banking divisions and offer a wide range of credit and trade financing services.

Methods of Payment

Most agreements contain provisions stipulating that certain documents must be produced by the seller to the buyer (importer) or its bank in order to receive payment. The main documents include commercial invoices, certificates of origin (attesting to the origin of the goods), inspection certificates, and dock and insurance receipts.

The main method of payment is a Letter of Credit. This is a legal document to arrange payment between an importer (buyer) and exporter (seller). It acts as security for both parties, giving the exporter confidence that the importer is able to pay for the goods while assuring the importer that payment will be made to the exporter only after the terms outlined in the letter of credit have been met.

Once the letter of credit has been drawn up and the application is accepted, the importer instructs the bank to transfer the payment to the exporter. The importer's bank passes this information to the exporter's bank, who then notifies the exporter that payment has been arranged. The exporter sends out the goods and later presents the required invoices and shipping documents to the bank in order to receive payment. There is no risk involved with the exporter receiving payment as long as the terms of the agreement have been followed.

Benefits of the letter of credit include:

- payment to the exporter will only be made after the terms of the agreement have been met.
- the documents, which have been reviewed by the bank's experienced staff, are in order.
- the exporter is assured of the importer's ability to pay and, as a result, a better price and more advantageous terms of payment may be offered.

There are various types of letters of credit. Talk to your bank about the option that is most suitable for you.

Alternatives to the Letter of Credit

- Cash in Advance - an uncommon method of payment. However, a foreign buyer may pay cash in advance for a custom order. Most often, there will be a down-payment stipulated upon signing the contract and a subsequent payment made upon delivery.
- Open Account - the seller ships the goods as soon as the order is received and then invoices the buyer for payment within a certain amount of time (i.e. 30 days). Although common for domestic transactions, it is very risky for the seller.
- Documentary Collections - the bank acts as an intermediary in the process and holds payment until the importer has an opportunity to review all key documents before authorizing payment.
- Consignment - the seller ships the goods but retains ownership of them until they are sold. It is risky for the seller as they incur all the expense and risk and must manage the goods at a distance.

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APPENDIX A contacts

1. Canada/Manitoba Business Service Centre

250 - 240 Graham Avenue, P.O. Box 2609
Winnipeg, MB R3C 4B3
Phone: 984.2272 or 1.800.665.2019
E-mail: manitoba@cbsc.ic.gc.ca
Web: <http://www.canadabusiness.ca/manitoba>

2. Manitoba Companies Office

1010-405 Broadway
Winnipeg, MB R3C 3L6
Phone: 945.2500 or toll free in Manitoba 1.888.246.8353
E-mail: companies@gov.mb.ca
Web: <http://www.companiesoffice.gov.mb.ca>

3. The Business Number

c/o Canada Revenue Agency
Phone: 1.800.959.5525
Web: <http://www.cra-arc.gc.ca/E/pub/tg/rc2/README.html>

4. The City of Winnipeg

Zoning and Permits Branch (for Home Occupation Permit)
18 - 30 Fort Street, Winnipeg, MB
Phone: 986.4663

License Branch (for Home Business Licenses and Regulatory Licenses)
18 - 30 Fort Street, Winnipeg, MB
Phone: 986.4663 (for Home Business Licenses) or 986.6420 (for Regulatory Licenses)
Web: <http://www.winnipeg.ca/cms/License/>

5. Manitoba Consumer's Bureau

302-258 Portage Avenue
Winnipeg, Manitoba, R3C 0B6
Phone: 945.3800 or 1.800.782.0067 (toll free in Manitoba)
E-mail: consumersbureau@gov.mb.ca
Web: <http://www.gov.mb.ca/finance/cca/consumb/acts/bedding.html>

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APPENDIX A contacts

6. Canada Border Services Agency

Phone: 983.3500 (in Winnipeg) or toll free 1-800-461-9999

E-mail: CBSA-ASFC@canada.gc.ca

Web: <http://www.cbsa-asfc.gc.ca/>

7. Canadian Standards Association

Phone: (416) 747.4000 or toll-free 1.800.463.6727

AECB - Atomic Energy Control Board

Radioisotopes and Transportation Division

P.O. Box 1046

Ottawa, Ontario K1P 5S9

Phone: 613.996.0437 or 613.995.2467

Web: <http://www.cbsa-asfc.gc.ca/E/pub/cm/d19-2-1/README.html>

CFIA - Canadian Food Inspection Agency

Room 613 - 269 Main St.

Winnipeg, Manitoba R3C 1B2

Phone: 983.2200

Web: <http://www.inspection.gc.ca/english/fssa/impe.shtml>

CITES - Convention on International Trade in Endangered Species of Wild Fauna and Flora

c/o Manitoba Conservation

200 Saulteaux Crescent, P.O. Box 24

Winnipeg, Manitoba R3J 3W3

Phone: 945.1893

Web: <http://www.cites.ec.gc.ca/>

EC - Environment Canada

Environmental Protection

5th floor, Federal Building, 269 Main Street

Winnipeg MB R3C 1B2

Telephone: 981.7111 (24-hour service)

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APPENDIX A contacts

EICS - Export and Import Control System

- Imports - Textiles and Clothing: 613.996.3711 or toll-free (information) 1.800.267.8376 (in Canada)
- Imports - Agricultural Products: 613.995.8104 or toll-free (information) 1.800.267.8376 (in Canada)
- Imports - Steel Products: 613.996.0612 or toll-free (information) 1.800.267.8376 (in Canada)
- Imports - Weapons and Munitions: 613.992.0478 or 613.996.2387 or toll-free (information) 1.800.267.8376 (in Canada)

Web: <http://www.dfait-maeci.gc.ca/trade/eicb/general/general-en.asp>

FO - Fisheries and Oceans

Regional Headquarters
501 University Crescent
Winnipeg, Manitoba R3T 2N6
Phone: 204.983.5063

HC - Health Canada

510 Lagimodiere Boulevard
Winnipeg, Manitoba
R2J 3Y1
Food, Drugs and Medical Devices - Phone: 204.983.3004
Narcotics and Dangerous Drugs - Phone: 204.983.5453
Hazardous Products - Phone: 204.983.5490 or 1.866.662.0666
Hazardous Products e-Mail: Mb_ProdSafe@hc-sc.gc.ca

NRCAN - Natural Resources Canada (Diamonds)

Phone: 613.996.0947
Web: http://mmsd1.mms.nrcan.gc.ca/kimberleyprocess/note_e.asp

NRCAN - Natural Resources Canada (Explosives)

Phone: 613.948.5171
Web: http://www.nrcan-nrcan.gc.ca/mms/explosif/licen/permit_e.html#i_permit

NRCAN - Natural Resources Canada (Energy Using Products)

Phone: 613.947.7352
Web: <http://www.oee.nrcan.gc.ca/regulations/reminder.cfm?PrintView=N&Text=N>

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APPENDIX A contacts

PHAC - Public Health Agency of Canada

Senior Advisor Quarantine and Migration Health - Phone 613.957.7817 or (after hours) 1.800.545.7661 (import of human bodies/body parts/organs)

Office of Laboratory Security - Phone: 613.957-1779 (import of human pathogens)

TC - Transport Canada

Road Safety and Motor Vehicle Regulation Directorate

8th floor, Place de Ville, Tower C, 330 Sparks Street

Ottawa ON K1A 0N5

Phone: 613.998.8616 or 1.800.333.0371

Web: http://www.cbsa-asfc.gc.ca/import/vehicles_tires-e.html

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APPENDIX B web sites

Canada/Manitoba Business Service Centre

<http://www.canadabusiness.ca/manitoba>

Canada Border Services Agency

Acts & Regulations of Other Government Depts: <http://www.cbsa-asfc.gc.ca/menu/D19-e.html>

Duties: <http://www.cbsa-asfc.gc.ca/import/dutydeferral-e.html>

Forms & Guides: <http://www.cbsa-asfc.gc.ca/formspubs/clientgroup/import-export/import-e.html>

Information for Importers: <http://www.cbsa-asfc.gc.ca/import/menu-e.html>

Postal Program: http://www.cbsa-asfc.gc.ca/import/courier/postal/bus_over_1600-e.html

Canadian Importers Database

http://strategis.ic.gc.ca/sc_mrkti/cid/engdoc/index.html

Canadian Society of Customs Brokers

http://www.cscb.ca/index_e.cfm

Culture

<http://www.columbusguides.com/>

Currency Converter

<http://www.cbsa-asfc.gc.ca/cgi-bin/currency.cgi>

Foreign Trade Offices in Canada

<http://w01.international.gc.ca/Protocol/main-en.asp?sScreen=Consular>

Freightnet

<http://www.freightnet.com/>

importsource.ca

<http://www.importsource.ca>

Interactive Business Planner

<http://www.canadabusiness.gc.ca/ibp/>

International Freight Forwarding in Canada

http://ats.agr.ca/access/4153_e.htm

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APPENDIX B web sites

INCOTERMS

<http://www.iccwbo.org/incoterms/id3040/index.html>

International Company Sites

<http://www.cbsc.org/manitoba/CMSindex.cfm?name=linksbycat&m=Companies&s1=International>

Labelling - Cosmetics

http://www.hc-sc.gc.ca/cps-spc/pubs/indust/cosmet_guide/index_e.html

Labelling - Diamonds, Colored Gemstones and Pearls

http://www.jewellersvigilance.ca/html/RevisedEditionJuly03_en.pdf

Labelling - Down and Feather Products

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemID=1237&lg=e>

Labelling - Environmental Claims

<http://www.csa.ca/standards/environment/Default.asp?language=English>

Labelling - Food

<http://www.inspection.gc.ca/english/fssa/labeli/guide/toce.shtml>

Labelling - "Made in Canada"

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemid=1231&lg=e>

Labelling - Non-Food Items

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemID=1248&lg=e>

Labelling - Nutrition

http://www.hc-sc.gc.ca/fn-an/label-etiquet/nutrition/index_e.html

Labelling - Pet Food

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemid=1229&lg=e>

Labelling - Precious Metals

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemID=1235&lg=e>

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APPENDIX B web sites

Labelling - Textiles

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemid=1249&lg=e>

Labelling - Upholstered Furniture

<http://www.competitionbureau.gc.ca/internet/index.cfm?itemid=1282&lg=e>

Tariff Treatments (Australia, New Zealand and Commonwealth Caribbean Countries)

<http://cbsa-asfc.gc.ca/E/pub/cm/d11-4-6/README.html>

Tariff Treatments (General Preferential Tariff and Least Developed Country Tariff)

<http://www.cbsa-asfc.gc.ca/E/pub/cm/d11-4-4/README.html>

Tariff Treatments (Most Favoured Nation)

<http://cbsa-asfc.gc.ca/E/pub/cm/d11-4-3/README.html>

Tariff Treatments Under Free Trade Agreements

http://www.cbsa-asfc.gc.ca/import/accountingintro-e.html#P305_26310

Travel Health Advisories

http://www.phac-aspc.gc.ca/tmp-pmv/pub_e.html

Travel Reports for Canadians (Foreign Affairs Canada)

http://www.voyage.gc.ca/consular_home-en.asp

Warehousing

<http://www.cbsa-asfc.gc.ca/import/warehouseintro-e.html>

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APPENDIX C prohibited, controlled and regulated goods

P = Prohibited - in most cases, these goods cannot be imported

All other goods listed will require a permit, certificate, licence or other specific document, and/or the goods must meet certain safety standards.

* Acronyms used after each topic indicate the government organization to contact for authorization to import. See Appendix A for contact information.

*****Important: This listing was compiled with information available at the time of writing. It is subject to change without notice. If your product is not listed, contact the Canada Border Services Agency at 1.800.461.9999.**

Aircraft (used or second-hand) **P TC**

Animals and plants designated as harmful to the Canadian ecosystem **P CFIA**

Animal Feeds **CFIA**

Animals (live) including hatching eggs, animal embryos and semen **CFIA**

Atomic energy **AECB**

Barley **EICS**

Biological material **CFIA**

Bodies/body parts **PHAC**

Clothing and textiles **EICS**

Chicken **CFIA**

Coins (base or counterfeit) **P**

Copyrights and trade-marks (if there is an infringement) **P**

Cosmetics **HC**

Dairy products **CFIA EICS**

Diamonds (rough) **NRCan**

Drugs for human use (includes prescription drugs) **HC**

Drugs (narcotics, controlled and restricted drugs) **HC**

Eggs and processed egg products (including inedible products) **EICS**

Energy-using products **NRCan**

- automatic ice maker
- clothes dryer
- clothes washer

- cold temperature fluorescent lamps
- coloured fluorescent lamps
- coloured incandescent reflector lamp
- compact clothes washers and dishwashers
- dehumidifier
- dishwasher
- electric range
- electric water heater
- fluorescent lamp
- fluorescent lamp ballast
- freezer
- gas boiler
- gas furnace
- gas range
- gas water heater
- general purpose fluorescent lamp
- general purpose incandescent reflector lamp
- ground or water source heat pump
- incandescent reflector lamp
- integral gear motor
- integrated over/under washer-dryer
- internal water loop heat pump
- large air conditioner
- large condensing unit
- large heat pump
- oil-fired boiler

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APPENDIX C prohibited, controlled and regulated goods

- oil-fired furnace
- oil-fired water heater
- packaged terminal air conditioner
- packaged terminal heat pump
- refrigerator or combination refrigerator-freezer
- room air conditioner
- single package central air conditioner
- single package heat pump
- split-system central air conditioner
- split-system heat pump

Explosives [NRCan](#)

Fertilizers, supplements, soil and growing media

[CFIA](#)

Firearms (automatic) **P** [EICS](#)

Firearms (other) [EICS](#)

Firewood [CFIA](#)

Fish and fish products [FO](#)

Fruit (fresh) for consumption or processing [CFIA](#)

Fruit (processed) [CFIA](#)

Furs (raw) [CFIA](#)

Goods Manufactured or Produced Wholly or in Part by
Prison Labour **P**

Grains for human consumption [CFIA](#)

Handicrafts [CBSA](#)

Hate Propaganda, Treason and Sedition **P**

Hazardous products [HC](#)

- Asbestos
- Baby Gates
- Booster Cushions
- Carbonated Beverage Glass Containers (more than 1.5 L)
- Carpet
- Carriages and Strollers
- Cellulose Insulation
- Charcoal
- Child Restraint Systems
- Children's Sleepwear (loose fitting)

- Consumer Chemicals and Containers
- Controlled Products (chemical products used in the workplace [WHMIS])
- Cribs and Cradles
- Crocidolite Asbestos
- Expansion Gates and Expandable Enclosures
- Glazed Ceramics and Glassware
- Ice Hockey Helmets
- Infant Feeding Bottle Nipples
- Kettles
- Lighters
- Liquid Coating Materials
- Matches
- Mattresses
- Pacifiers
- Paints
- Playpens/Play yards
- Safety Glass
- Science Education Sets
- Sleepwear (children's)
- Strollers
- Tents
- Toys

Hazardous waste [EC](#)

Herbal remedies [HC](#)

Honey [CFIA](#)

Insecticides [CFIA](#)

Maple products [CFIA](#)

Matches (white phosphorous) **P**

Mattresses (used or second-hand) and materials therefrom **P**

Meat and meat products (edible) [CFIA](#)

Motor vehicles [TC](#)

Motor vehicles (used or second-hand) **P** [TC](#)

Nuts for human consumption [CFIA](#)

Obscene material **P**

LET'S TALK... BUSINESS!

GUIDE FOR NEW IMPORTERS



APPENDIX C prohibited, controlled and regulated goods

Ozone-depleting substances and products [EC](#)
Pathogens (animal) [CFIA](#)
Pathogens (human) [PHAC](#)
Pest control products [CFIA](#)
Products of animal origin (not specified anywhere else) [CFIA](#)
Products containing animal or plant matter from a species considered to be endangered [CITES](#)
Plants and plant products [CFIA](#)
Radioactive substances [AECB](#)
Seeds for human consumption [CFIA](#)
Steel (carbon and specialty) [EICS](#)
Tires [TC](#)
Trade sanctions [P](#) [EICS](#)
Turkey [CFIA](#)
Vegetables (fresh) for consumption and processing [CFIA](#)
Vegetables (processed) [CFIA](#)
Vitamin and mineral supplements [HC](#)
Weapons [EICS](#)
Wheat [EICS](#)
Wild Birds (certain parts of) [P](#) [CITES](#)