



Ottawa, October 29, 2008

# MEMORANDUM D5-1-1

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## In Brief

### CANADA BORDER SERVICES AGENCY INTERNATIONAL MAIL PROCESSING SYSTEM

1. This memorandum has been revised to include changes to the goods and services tax (GST) and harmonized sales tax (HST) rates, word definitions listed in alphabetical order, a section that deals with opening mail, and other revisions to reflect Canada Border Services Agency (CBSA) terminology.
2. References to the reporting and opening of mail under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* have been added.



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Ottawa, October 29, 2008

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## CANADA BORDER SERVICES AGENCY INTERNATIONAL MAIL PROCESSING SYSTEM

This memorandum outlines and explains the legislation authorizing the examination of international mail and the obligations of the importing public to pay the duties and taxes owing. It also provides an overview of the processing and handling of both commercial and non-commercial importations. All monetary references quoted are in Canadian dollars.

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### Legislation

#### *Customs Act*

##### *Powers of Officers*

The “Powers of Officers” section of the *Customs Act* related to the authority to examine and open mail items reads:

99. (1) An officer may

(b) at any time up to the time of release, examine any mail that has been imported and, subject to this section, open or cause to be opened any such mail that the officer suspects on reasonable grounds contains any goods referred to in the *Customs Tariff*, or any goods the importation of which is prohibited, controlled or regulated under any other Act of Parliament, and take samples of anything contained in such mail in reasonable amounts;

(2) An officer may not open or cause to be opened any mail that is being imported or exported and that weighs thirty grams or less unless the person to whom it is addressed consents or the person who sent it has completed and attached to the mail a label in accordance with article RE 601 of the *Letter Post Regulations* of the Universal Postal Convention.

(3) An officer may cause imported mail, or mail that is being exported, that weighs thirty grams or less to be opened in his or her presence by the person to whom it is addressed, the person who sent it or a person authorized by either of those persons.

The “Powers of Officers” sections of the *Customs Act* related to the detention and seizure of postal importations read:

##### *Detention of Controlled Goods*

101. Goods that have been imported or are about to be exported may be detained by an officer until he is satisfied that the goods have been dealt with in accordance with this Act, and any other Act of Parliament that prohibits, controls or regulates the importation or exportation of goods, and any regulations made thereunder.

##### *Seizures*

110. (1) An officer may, where he believes on reasonable grounds that this Act or the regulations have been contravened in respect of goods, seize as forfeit

(a) the goods;

##### *Report of Goods*

The “Report of Goods” section of the *Customs Act* related to postal importations reads:

12. (1) Subject to this section, all goods that are imported shall, except in such circumstances and subject to such conditions as may be prescribed, be reported at the nearest customs office designated for that purpose that is open for business.

(2) Goods shall be reported under subsection (1) at such time and in such manner as the Governor in Council may prescribe.

(3) Goods shall be reported under subsection (1)

(a) in the case of goods in the actual possession of a person arriving in Canada, or that form part of the person's baggage where the person and the person's baggage are being carried on board the same conveyance, by that person or, in the prescribed circumstances, by the person in charge of the conveyance;

(a.1) in the case of goods imported by courier or as mail, by the person who exported the goods to Canada;

(b) in the case of goods, other than goods referred to in paragraph (a) or goods imported as mail, on board a conveyance arriving in Canada, by the person in charge of the conveyance; and

(c) in any other case, by the person on behalf of whom the goods are imported.

(6) Where goods are required by the regulations to be reported under subsection (1) in writing, they shall be reported in the prescribed form containing the prescribed information, or in such form containing such information as is satisfactory to the Minister.

#### *Accounting and Payment of Duties*

The "Accounting and Payment of Duties" subsections of the *Customs Act* related to postal importations read:

**32.** (4) In such circumstances, and under such conditions, as may be prescribed, goods imported by courier or as mail may be released prior to the accounting required under subsection (1) and prior to the payment of duties thereon.

(5.1) Except in prescribed circumstances, where the importer or owner of mail that has been released as mail under subsection (4) takes delivery of the mail, the mail shall be deemed to have been accounted for under subsection (5) at the time of its release.

#### *Collection of Duties on Mail*

The "Collection of Duties" subsections related to postal importations under the *Customs Act* read:

**147.1** (1) In this section, "Corporation" means the Canada Post Corporation.

(3) The Minister and the Corporation may enter into an agreement in writing whereby the Minister authorizes the Corporation to collect, as agent of the Minister, duties in respect of mail and the Corporation agrees to collect the duties as agent of the Minister.

#### *Fees*

**147.1** (10) Subject to any regulations made under subsection (14), mail is charged with the prescribed fees from the time of its importation until such time as the fees are paid or as the fees are otherwise removed.

(11) The importer or owner of mail that is charged with fees under subsection (10) shall pay the fees at the time of the payment of the duties on the mail.

(14) The Governor in Council may make regulations

(c) prescribing fees for the purposes of subsection (10);

(d) prescribing mail that is not charged with fees under subsection (10) or prescribing circumstances in which mail is not charged with fees under that subsection;

#### *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*

##### *Reporting of Currency and Monetary Instruments*

Who must report:

**12.** (3) Currency or monetary instruments shall be reported under subsection (1)

(b) in the case of currency or monetary instruments imported into Canada by courier or as mail, by the exporter of the currency or monetary instruments or, on receiving notice under subsection 14(2), by the importer;

(c) in the case of currency or monetary instruments exported from Canada by courier or as mail, by the exporter of the currency or monetary instruments;

(d) in the case of currency or monetary instruments, other than those referred to in paragraph (a) or imported or exported as mail, that are on board a conveyance arriving in or departing from Canada, by the person in charge of the conveyance; and

(e) in any other case, by the person on whose behalf the currency or monetary instruments are imported or exported.

##### *Examination and Opening of Mail*

17. (1) An officer may examine any mail that is being imported or exported and open or cause to be opened any such mail that the officer suspects on reasonable grounds contains currency or monetary instruments of a value equal to or greater than the amount prescribed for the purpose of subsection 12(1).

(2) An officer may not open or cause to be opened any mail that weighs 30 grams or less unless the person to whom it is addressed consents or the person who sent it

consents or has completed and attached to the mail a label in accordance with article 116 of the Detailed Regulations of the Universal Postal Convention.

(3) An officer may cause mail that weighs 30 grams or less to be opened in the officer's presence by the person to whom it is addressed, the person who sent it or a person authorized by either of those persons.

### Regulations

#### **Accounting for Imported Goods and Payment of Duties Regulations**

The "Release of Goods Imported as Mail" sections of the Regulations for postal importations read:

8. Goods imported as mail may be released under subsection 32(4) of the Act prior to the accounting required under subsection 32(5) of the Act and prior to the payment of duties thereon and without the giving of security pursuant to section 35 of the Act, except where the goods

(a) are commercial goods that have an estimated value for duty of \$1,600 or more; or

(b) are prohibited, controlled or regulated by an Act of Parliament that prohibits, controls or regulates the importation of goods or a regulation made pursuant to such an Act.

8.2 Subsections 147.1(3) to (13) of the Act do not apply to mail where the goods imported as mail are

(a) goods not charged with duties;

(b) goods in respect of which all the duties are remitted;

(c) goods classified under tariff item No. 9816.00.00 in the List of Tariff Provisions; or

(d) commercial goods that have an estimated value for duty of \$1,600 or more.

#### **Fees in Respect of Mail Regulations**

REGULATIONS PRESCRIBING FEES IN RESPECT OF GOODS IMPORTED AS MAIL AND THE CIRCUMSTANCES IN WHICH THE GOODS ARE NOT CHARGED WITH THE PRESCRIBED FEE

##### SHORT TITLE

1. These Regulations may be cited as the *Fees in Respect of Mail Regulations*.

##### INTERPRETATION

2. In these Regulations,

"commercial goods" means goods imported into Canada for sale or for any commercial, industrial, occupational, institutional or other like use; (merchandises commerciales)

"Priority Courier Services" means any expedited mail service offered by the Canada Post Corporation. (service de poste prioritaire)

##### FEES

3. Subject to section 4, the fee charged for goods imported as mail is \$5 for each item of mail.

##### EXCEPTIONS

4. The fee referred to in section 3 does not apply to goods imported as mail where all the goods in each item of mail are

(a) not charged with duties;

(b) goods in respect of which all duties are remitted;

(c) commercial goods that have an estimated value for duty of \$1,600 or more; or

(d) delivered by Priority Courier Services.

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## GUIDELINES AND GENERAL INFORMATION

### DEFINITIONS

1. For the purpose of this memorandum, the following definitions and terms are provided:

"CBSA Casual Refund Centre (CRC)" is the term used to describe the CBSA office where Form B2G, *CBSA Informal Adjustment Request* is processed. CRCs have the authority to refund any duties, goods and services tax (GST), harmonized sales tax (HST), and provincial taxes, which were assessed at the time of importation. CRCs are listed on the back of Form B2G. « *Centre de remboursement pour les importations occasionnelles (CRIO) de l'ASFC* »

"CBSA Mail Centre (CMC)" is the term used to describe the CBSA international mail processing operation, where the primary verification, secondary processing, and assessment of any applicable duties and taxes take place. CMCs are located within Canada Post facilities in Montréal, Toronto, and Vancouver to centralize the importation of mail into Canada and to expedite the clearance and delivery of mail. « *Centre du courrier de l'ASFC (CCA)* »

"Commercial importations" are goods imported into Canada for sale or for any commercial, industrial, occupational, institutional, or other like use. « *Importations commerciales* »

"Form B2, *Canada Customs – Adjustment Request*" is the document used to amend a paid assessment for commercial goods (see Memorandum D17-2-1, *Coding of Adjustment Request Forms*). Adjustment requests are accepted for assessments of postal importations made

on Form B3, *Canada Customs Coding Form*, or Form E14. Form B2 is used to amend information on the original assessment and request refund of any duties and taxes that were collected at the time of importation. Form B2 is available at all CBSA offices or on the CBSA Web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca). « *Formulaire B2, Douanes Canada – Demande de rajustement* »

“Form B2G, *CBSA Informal Adjustment Request*” (see Appendix B) is the document used to request an adjustment or refund on duty-paid for non-commercial goods that have been imported by mail, courier, or on individual traveller’s declarations. Form B2G is available at all CBSA offices or on the Web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca). For goods imported by mail, Form B2G is also located on the back of the importer’s copy of Form E14 (see Appendix A). « *Formulaire B2G, Demande informelle de rajustement de l’ASFC* »

“Form E14, *CBSA Postal Import Form*” (see Appendix A) is the document used to assess duties and taxes and keep track of importations arriving through the mail. « *Formulaire E14, formulaire d’importation postale de l’ASFC* »

“Mail” (as set out in section 2 of the *Canada Post Corporation Act*) means mailable matter, from the time it is posted to the time it is delivered to the addressee thereof. « *Courrier* »

“Non-commercial importations” are defined as goods for individual use, not intended for resale, commercial, industrial, occupational, institutional, or other like use. « *Importations non commerciales* »

“Postal Import Control System (PICS)” is the computer system the CMC uses to facilitate the processing of mail items and to control items referred for CBSA examination. « *Système de contrôle d’importations postales (SCIP)* »

“Publications” include books, newspapers, periodicals, magazines, and any similar printed publication including audio tapes that relate to a publication that may accompany it. « *Publications* »

“Release” of international mail occurs at the time Canada Post is permitted by border services officers to effect delivery of it. « *Mainlevée* »

“Undeliverable mail” under the *Undeliverable and Redirected Mail Regulations* means mail that for any cause cannot be delivered to the addressee and includes any mail the delivery of which is prohibited by law or is refused by the addressee or on which postage due is not paid by the sender on demand. « *Courrier non livrable* »

2. The following information is of a general nature only and is not a substitute for relevant legislation and

regulations. The *Customs Act*, the *Canada Post Corporation Act*, and other acts and regulations relating to the international movement of mail should be consulted when interpreting and applying the law.

3. The postal system is designed to expedite delivery of imported mail items to recipients by allowing Canada Post to deliver as well as collect duties and taxes owing to the government. Canada Post is authorized to charge the recipient a handling fee for this service; however, there is no fee for mail items that are duty-free and tax-exempt or for commercial items with a value over \$1,600.

4. For more information on Canada Post’s role in processing international mail, visit the Canada Post Web site at [www.canadapost.ca](http://www.canadapost.ca). You can also find out more about non-mailable goods or goods you cannot send through the mail on the Canada Post Web site.

5. The Canada Border Services Agency (CBSA) examines international mail to verify the country of origin, quantity, value, type, and admissibility of the goods in relation to the *Customs Act*, the *Customs Tariff*, the *Special Import Measures Act*, the *Excise Act*, the *Excise Act 2001*, the *Excise Tax Act*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and other acts administered by the CBSA on behalf of other government departments.

6. The *Customs Act* authorizes the CBSA to detain imported goods that may be prohibited, controlled, or regulated under any Act of Parliament. The Memoranda D19 series, Acts and Regulations of Other Government Departments, outline the CBSA’s responsibilities in this regard. You can find them on the CBSA Web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca).

#### **POSTAL IMPORTS REMISSION ORDER (\$20 OR LESS)**

7. The *Postal Imports Remission Order (PIRO)* grants remission of all duties and taxes paid or payable on certain goods imported by mail when the value for duty does not exceed \$20.

8. PIRO benefits cannot be claimed if the value of the goods imported by mail exceeds \$20, even if the goods are split or disassembled into several packages each with an individual value of less than \$20.

9. To receive the benefit of the remission order, a mail item valued at \$20 or less must be the only shipment in the transaction or one of a series of shipments for which the total value of the goods in a single transaction does not exceed \$20.

10. In PIRO, “goods” excludes alcoholic beverages, cigars, cigarettes, manufactured tobacco, goods classified under tariff item No. 9816.00.00 (gifts), and publications where the supplier is required to register under Subdivision “d” of Division V of Part IX of the *Excise Tax Act* and is not so registered.

11. This Order does not apply to imported goods purchased from a retailer in Canada and mailed from outside of Canada directly to the purchaser, or to imported goods purchased or ordered through or from a person within Canada who is acting on behalf of a person outside of Canada who is selling the goods. Refer to Memorandum D8-2-2, *Postal Imports Remission Order*, for more details on the conditions for granting remission.

#### **GIFT EXEMPTIONS – TARIFF ITEM NO. 9816.00.00 (\$60)**

12. Under the casual donations tariff item No. 9816.00.00 when the value of casual donations, commonly referred to as “gift items” does not exceed \$60, individuals may receive them from friends and relatives abroad as duty-free and tax-exempt importations. For gifts valued at more than \$60, the portion of a gift’s value exceeding \$60 is subject to duties and taxes at the appropriate rate.

13. The \$20 PIRO benefits cannot be combined with the gift exemption of \$60.

14. To qualify as a gift, a mail item must be given from a friend or relative abroad and should be wrapped and/or include a greeting card addressed to the recipient from the sender.

15. No single gift may exceed \$60 regardless of the number of joint recipients. When more than one gift is shipped in a single container, the border services officer must be satisfied that the value of each gift does not exceed \$60. This applies regardless of the number of recipients for each gift.

16. Companies, business concerns and associations of any sort do not qualify as donors or recipients for the purposes of tariff item No. 9816.00.00.

17. The benefits of the gift exemption do not apply to importations of advertising matter, tobacco, and alcoholic beverages. Refer to Memorandum D2-1-4, *Casual Donations – Tariff Item No. 9816.00.00*, for more details.

#### **ARRIVAL OF INBOUND INTERNATIONAL MAIL**

18. The foreign postal administration arranges for the transportation of mail items from the country of origin to Canada. In accordance with the provisions of the Universal Postal Union (UPU), mail transferred from a foreign postal administration is documented on a delivery bill CN 37 (Surface mail), CN 38 (Airmail) or CN 41 (Surface airlifted mail). The onus is on the sender of the mail item to declare the origin, contents and value of the item on a CN 22 or a CN 23 - Customs Declaration. See Appendix C for required information.

19. Upon arrival in Canada, the mail remains under the control of the foreign postal administration until it is “exchanged” with Canada Post. Canada Post receives the mail at its international mail exchange office where it is sorted for movement within Canada. International mail is

then directed to one of the three CMCs located in Vancouver, Toronto, and Montréal for CBSA processing. Ottawa, Hamilton, Winnipeg, and Calgary are authorized to receive certain letter mail.

20. A distinction is made between non-commercial or casual importations and commercial importations. Commercial importers are required to keep books and records of all importation transactions. Non-commercial or casual importers may wish to keep a copy of Form E14, *CBSA Postal Import Form* for their records in case they need it for possible adjustment purposes.

#### **PROCESSING INTERNATIONAL MAIL**

##### **Primary Inspection**

21. Canada Post is responsible for presenting international mail to the CBSA. Border services officers review all classes of mail to identify and segregate items requiring further examination. The review includes priority post, first class, registered, and parcel mail.

22. During primary inspection, the border services officer screens the mail items to determine which are duty-free and tax-exempt importations, and ensures the goods that require no further CBSA control are released to Canada Post for immediate delivery. These goods may be stamped “Cleared Customs”. This includes goods released under the PIRO and those released as gifts under tariff item No. 9816.00.00.

23. All mail items containing goods that may be prohibited, controlled or regulated, subject to duties and taxes, or goods requiring examination by another government department or agency are separated and forwarded to the secondary area for further review.

##### **Canada Post Data Entry**

24. If there is no existing identifiable bar code, Canada Post contracted employees place a unique bar-coded inventory number onto mail items that are directed to the CBSA secondary processing area. They also input the exporter/importer data into the CBSA Postal Import Control System (PICS).

25. The mail items are then directed to the border services officers for secondary review and assessment of duties and taxes.

##### **Secondary Processing**

26. In the secondary area, the border services officer verifies mail items to determine whether they are subject to duties, controls, such as permits or certificates, enforcement measures, or if they require examination by another government department.

27. Examination of items or review of declarations may reveal that mail items sent for secondary processing are duty-free and tax-exempt importations or can be released in accordance with PIRO or the gift exemption.

## Opening Mail

28. Border services officers have the authority to examine goods under section 99 of the *Customs Act*. This authority may be exercised if there are reasonable grounds to suspect that a mail item contains goods subject to the *Customs Tariff*, or any goods prohibited, controlled, or regulated under any other Act of Parliament.

29. Under subsection 99(2) of the *Customs Act*, a border services officer may not open any mail item that weighs 30 grams or less, unless the addressee or sender has given the authorization to do so.

30. CBSA Mail Opening policy requires the weight of the external shipping packaging be considered when determining the total weight of the mail item in order to arrive at the 30-gram limit.

31. Under CBSA Private Communication policy, while conducting a physical examination of mail items, border services officers are not permitted to read personal or private communications intended for the addressee. Personal or private communications include correspondence, information, letters, messages, notes, and similar communications whether or not enclosed in an envelope. The term correspondence does not include invoices, order forms, cheques, newspapers, magazines, books, catalogues, blank forms, manuscripts, or recorded mass storage devices such as tapes, microfilm, or discs.

**Exception:** If a seizure action has taken place and the border services officer has reasonable and probable grounds to suspect that a communication found accompanying seized goods may contain evidence of illegality, an exception to the foregoing private communications policy is permitted.

32. Under subsection 17(1) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, a border services officer may examine any mail that is being imported or exported and open or cause to be opened any such mail that the officer suspects on reasonable grounds contains currency or monetary instruments of a value equal to or greater than the amount prescribed. If the mail item is less than 30 grams, the sender or recipient's authorization is required. Refer to Memorandum D19-14-1, *Cross-Border Currency and Monetary Instruments Reporting*, for more information.

33. It is the sender's responsibility to accurately report the value and clearly describe the contents of any mail item. See Appendix C for the prescribed elements required for reporting.

34. Border services officers may open a mail item and review invoices to ensure the most accurate assessment is made. Mail items that are opened and subsequently assessed duties and taxes or released for delivery are normally closed with tape marked *Opened by CBSA*, Form E608. If the border services officer uses clear sealing tape to close the

item, the mail item must be stamped "Cleared Customs." See Appendix D for a copy of Form E608.

35. Form E605, *Your Package Has Been Examined* should be included in mail items that are opened because there was not enough information on the declaration. E605 is used to advise importers of CBSA requirements to ensure future shipments are properly declared. Mail items that are subsequently released for delivery or assessed duties and or taxes are closed with customs tape referred to as Form E608 and resealed with clear sealing tape. If clear sealing tape is used to close the item, the item must be stamped "Examined by CBSA." See Appendix E for a copy of Form E605.

## Duties and Taxes Owing on Mail

36. The border services officer determines tariff classification and value based on information indicated on the customs declaration, invoices attached to the item, or an examination to appraise the value of the goods. The border services officer enters this information into PICS and the system automatically calculates the amount of duties and taxes assessed.

37. Under the North American Free Trade Agreement (NAFTA), duties on various goods imported from the United States and Mexico have been either reduced or eliminated. The NAFTA duty rates apply only when imported goods manufactured in the United States or Mexico qualify for the preferential tariff treatment. NAFTA does not exempt the goods and services tax (GST) from imported goods.

38. Any mail item imported into Canada is potentially subject to GST. GST is calculated on the item's value for tax, which is the total of the foreign value converted to Canadian funds plus any applicable duties.

39. In the provinces of Nova Scotia, New Brunswick, and Newfoundland and Labrador, the federal-based GST and the provincial sales tax (PST) have been combined to create the harmonized sales tax (HST). The 13% HST is applied to non-commercial goods which are destined to these provinces. Imported commercial goods destined to these provinces are only subject to the 5% federal portion of the HST. The remaining 8% provincial component is payable through the self-assessment provisions of the provincial legislation.

40. The PST is also collected on non-commercial mail items on behalf of the provinces of British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan. For British Columbia, we collect PST on all goods that are taxable under British Columbia's tax base. Examples of goods exempt from PST are books, children's footwear, and children's clothing. For Ontario, we collect PST on all goods that are taxable under Ontario's tax base. Examples of goods that are not taxed PST are books, footwear under \$30 and children's clothing. For Manitoba, we collect PST on all items except books, footwear, and clothing. For

Quebec, we collect PST on all items except books. For Saskatchewan, we collect PST on all goods that are taxable under Saskatchewan's tax base. Examples of goods that are exempt PST are books, children's footwear and children's clothing. The PST rate applicable on imports is the provincial tax rate for the province. Further information is available on the appropriate Web site of the following provincial finance departments:

British Columbia – [www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)  
 Manitoba – [www.gov.mb.ca/finance](http://www.gov.mb.ca/finance)  
 Ontario – [www.fin.gov.on.ca](http://www.fin.gov.on.ca)  
 Quebec – [www.finances.gouv.qc.ca](http://www.finances.gouv.qc.ca)  
 Saskatchewan – [www.gov.sk.ca/finance](http://www.gov.sk.ca/finance)

41. For tobacco products, provincial tobacco taxes are also collected in New Brunswick, Quebec, Manitoba, Alberta and British Columbia. The tobacco tax rate is set by the provincial legislature. See Memorandum D2-3-6, *Non-Commercial Provincial Tax Collection Programs* for more information.

### Handling Fee

42. When goods are imported by mail, Canada Post is authorized to charge the recipient a \$5 handling fee for collecting and remitting duties and taxes that are owed to the government. Canada Post charges an \$8 fee for items mailed by priority post. If the mail item is duty- and tax-free, there is no fee to pay.

### CBSA Postal Import Form

43. Details of the assessment of duties, taxes, and handling fees are printed on Form E14, *CBSA Postal Import Form*, which is then affixed to the mail item by Canada Post for delivery to the recipient. Canada Post is responsible for delivering mail items and for collecting duties and taxes on behalf of the CBSA.

### Commercial Goods

44. In the case of commercial importations where goods are valued at \$1,600 or more, the CBSA will advise the importer when a mail shipment arrives. The importer is then required to present the appropriate documentation to the CBSA to obtain release of the goods. Release on Minimum Documentation (RMD) is allowed, provided the importer/owner or customs broker has posted the required security for release prior to payment privileges. Form B3, *Canada Customs Coding Form*, Type M (Mail) cash entries are required for importers who have not posted security for release prior to payment. Once the release documentation has been approved, the CBSA commercial office advises the applicable CMC to release the mail shipment to Canada Post for delivery.

## ADJUSTMENTS

### Before Payment of Duties and Taxes

45. An importer, either commercial or non-commercial, who does not agree with the assessment of duties and taxes, may request a reassessment before payment of duties and taxes by checking the "Return to CBSA" box of Form E14.

46. Canada Post then returns the mail item to the CMC located closest to the addressee. The CBSA may contact the addressee to discuss the request for reassessment. If duties and taxes still apply, an adjusted Form E14 is attached to the mail item and released to Canada Post for delivery. If the goods are deemed duty-free and tax-exempt, the CBSA releases the mail item to Canada Post for delivery.

47. An importer, either commercial or non-commercial, may refuse a mail item by checking the "Return to Sender" box of Form E14. Canada Post will stamp the mail item and return it to the sender.

### After Payment of Duties and Taxes

48. A commercial importer may request an adjustment or refund after payment of duties and taxes for imported goods using Form B2, *Canada Customs – Adjustment Request*. The completed Form B2 and supporting documentation should be submitted to the CBSA Client Services Division, which processes adjustments and refunds for commercial importations. For more details on Form B2 processing, refer to Memorandum D17-2-2, *Processing of Adjustment Request Forms*, found on the CBSA Web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca) under "Publications and forms."

49. A non-commercial importer may request an adjustment or refund after payment of duties and taxes using Form B2G, requesting refund of duties and taxes on non-commercial importations, located on the reverse side of the importer's copy of Form E14. You can also find Form B2G on the CBSA Web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca) or at any CBSA office. Form B2G should be submitted to the nearest CBSA Casual Refund Centre listed on the form along with supporting documentation, such as a credit note or any other documentation concerning the request for adjustment or refund.

50. The Casual Refund Centre will process the Form B2G claim and refund, where applicable, any duty, excise tax, GST, HST, PST and tobacco taxes. For more details on non-commercial refunds and Form B2G, refer to Memorandum D6-2-6, *Refund of Duties and Taxes on Non-Commercial Importations*.

51. The \$5 handling fee that is assessed on postal shipments is refunded when it is determined that the goods should have been duty-free and tax-exempt at the time of



importation. The CBSA does not refund any part of the \$8 handling fee for priority post items or any other broker's fee or shipping or handling fees.

### **VOLUNTARY ACCOUNTING**

52. Voluntary accounting is accepted when an importer reports to the CBSA that dutiable goods have been released in Canada without a Form E14 and payment of duties and taxes. The importer should prepare a Form B3, *Canada Customs Coding Form*, V type document for commercial goods, or Form B15, *Casual Goods Accounting Document*, for non-commercial goods, and duties and taxes owing will be collected. The documents will bear the notation "Voluntary Accounting" in the field reserved for the cargo control document number. Refer to Memorandum D17-1-3, *Casual Importations*, for Form B15 instructions, and Memorandum D17-1-10, *Coding of Customs Accounting Documents*, for Form B3 instructions.

53. Importers who receive mail items with Form E14 attached, without having paid the applicable duties and taxes indicated, should remit payment to:

Commercial Revenue Section  
Canada Post Corporation  
Suite E0640  
2701 Riverside Drive  
Ottawa ON K1A 0B1

54. Importers who determine that insufficient duties and taxes were assessed on their Form E14 may request an adjustment by submitting Form B2G for non-commercial goods to the nearest CBSA Casual Refund Centre to account for payment of additional duties and taxes. For commercial goods, Form B2 is submitted to the Regional Client Services Division to account for the additional payment of duties and taxes. These are considered adjustments and not voluntary accounts, as an original assessment was done by CBSA and a control document issued.

### **MULTIPLE, LOT, OR SPLIT SHIPMENTS**

55. When a shipment contains more than one mail item to make up a complete order, CBSA tries to assess duties and taxes on one Form E14. However, if the items are not presented to the CBSA at the same time or do not arrive together, there may be more than one Form E14 issued. If this is the case, the importer may wish to pay for each item and then submit a refund request for the duplicate payment.

### **FIREARMS**

56. Non-restricted firearms, restricted firearms, and prohibited handguns may be imported by mail if the importer has the appropriate licence and permit (s). Shipping prohibited handguns by mail is permitted only if the destination is within Canada and if the firearm is sent by the most secure means offered by Canada Post that includes the requirement for a signature upon delivery. Refer to

Memorandum D19-13-2, *Importing and Exporting Firearms, Weapons, and Devices Customs Tariff, Criminal Code, Firearms Act, and Export and Import Permits Act* for more information.

57. Commercial importers of firearms must have a valid Business Firearms Licence that authorizes the possession of the class of firearm being imported and a copy of that licence should be included with all commercial importations of firearms.

58. All military weapons require an import/export permit, which can be obtained from Foreign Affairs and International Trade Canada. For more information visit their Web site at [www.international.gc.ca](http://www.international.gc.ca).

59. For more information on firearms, please contact the Canada Firearms Centre by phone at **1-800-731-4000** or visit their Web site at [www.cfc-cafc.gc.ca](http://www.cfc-cafc.gc.ca).

### **YOUR RIGHTS**

60. The CBSA makes every effort to apply the law fairly and impartially. If you believe the laws have been applied unfairly, you have the right to a review.

61. If you disagree with the amount of duties and taxes shown on the Form E14, you can ask for either a reassessment, which is a review of the amount charged before you pay it, or an adjustment, which is a review conducted after you pay.

62. For non-commercial importations, if you are not satisfied with the reassessment or adjustment, you should submit a dispute of the reassessment or adjustment to the address of the local regional Recourse Division indicated on the letter denying your refund claim, or to any CBSA office in Canada, by addressing to the attention of Recourse Division. Refer to the instructions for filing contained in the letter of denial and in Memorandum D6-2-6, *Refund of Duties and Taxes on Non-Commercial Importations*.

63. In the case of a commercial shipment, you should submit a dispute on Form B2 to the local regional Recourse Division as outlined in Memorandum D11-6-7, *Importers' Dispute Resolution Process for Origin, Tariff Classification, and Value for Duty of Imported Goods* and Memorandum D17-2-1, *Coding of Adjustment Request Forms*.

64. Both commercial and non-commercial importation dispute notices must be filed in accordance with the form and manner requirements prescribed under subsection 60(3) of the *Customs Act*.

### **ADDITIONAL INFORMATION**

65. For the most recent information on the CBSA Postal Program, visit the CBSA Web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca) or call the Border Information Service (BIS) at **1-800-461-9999**. If you are calling from outside Canada, call 204-983-3500 or 506-636-5064 (long distance charges will apply).

APPENDIX A

FORM E14, CBSA POSTAL IMPORT FORM

Front of Form E14

**Canada**  
**Canada**  
**CBSA POSTAL IMPORT FORM**  
**FORMULAIRE DE L'ASFC DES IMPORTATIONS POSTALES**

1. Importer's name and address  
 Nom et adresse de l'importateur

2. Importer's telephone No. - N<sup>o</sup> de téléphone de l'importateur

3. Value for duty (CDS) - Valeur en douane (CDS)

4. Quantity and description - Quantité et description

5. Rate - Taux

6. Duty - Douane

7. Excise tax - Taxe d'accise

8. GST/STP - GST/STP

9. PST - TPV

10. Day - Jour

11. Excise tax - Taxe d'accise

12. GST/STP - GST/STP

13. PST - TPV

14. Handling by manufacturer - Manutention

15. Total payable - Total à payer

16. Exporter's name and country - Nom et pays de l'exportateur

17. Origin No. - N<sup>o</sup> de matricule

18. Invoice No. - N<sup>o</sup> de facture

19. Exchange rate - Taux de change

20. CBSA telephone No. - N<sup>o</sup> de téléphone de l'ASFC

21. Message

22. Complete at delivery at airport - À remplir lors de la livraison

23. Return to the CBSA - Retourner à l'ASFC

24. Instructions for requesting refund of duties and taxes on reverse - Instructions pour effectuer une demande de remboursement des droits et des taxes à l'envers

25. Invoice/FACTURE

26. Part 1: Importer's copy - Partie 1: Copie de l'importateur

27. Part 2 (grass & pull) - Partie 2 (tenir et tirer)

A490G1.FRP

FORM B2G, REQUESTING REFUND OF DUTIES AND TAXES ON "NON-COMMERCIAL IMPORTATIONS" (Reverse side of Form E14)

B2G (02/04)

**Requesting refund of duties and taxes on "NON-COMMERCIAL IMPORTATIONS"**  
**Remboursement des droits et des taxes sur << IMPORTATIONS NON COMMERCIALES >>**

**Instructions**

1. Please check the reason for request below in Box B and indicate the amount of duties and taxes to be refunded in Box C.  
2. The Canada Customs and Revenue Agency (CCRA) requires that you provide all necessary documentation, such as credit notes or invoices, to support your request for a refund.  
3. Write the date and your telephone number, and sign this form in Box C.  
4. Mail this form to the nearest Customs Refund Centre (addresses below).  
5. The handling, forwarding, and collection services provided by Canada Post Corporation as prescribed by the CCRA.

**Note:** The handling fee is only refundable when the goods should have been duty free and tax exempt at time of importation.

1. Cochez la raison pour laquelle la demande est faite à la case B ci-dessous et indiquez le montant du remboursement demandé à la case C.  
2. L'Agence des douanes et du revenu du Canada (ADRC) exige que vous produisiez tous les documents (notes de crédit, factures, etc.) étayant votre demande de remboursement.  
3. Écrivez la date et votre numéro de téléphone, et signez le formulaire à la case C.  
4. Envoyez le formulaire au Centre de remboursement des douanes le plus proche (adresses ci-dessous).  
5. Les frais de manutention, de transport et de collection sont remboursables, conformément aux exigences de l'ADRC.

**Note :** Les frais de manutention ne sont remboursables que si les marchandises auraient dû être exonérées de droits et de taxes au moment de l'importation.

<p><b>A</b></p> <p><b>Reason for refund request - Raison de la demande de remboursement</b></p> <p><input type="checkbox"/> Goods returned to sender/exporter - Marchandises retournées à l'expéditeur ou exportées If you returned your goods to the sender, a credit note or proof of export to show that the goods have left Canada must be included with this claim. Si la marchandise a été retournée à l'expéditeur, incluez une note de crédit ou un document d'exportation prouvant que la marchandise est sortie.</p> <p><input type="checkbox"/> Goods classified or described incorrectly - Marchandises mal classées ou mal désignées If the goods are classified incorrectly, please attach an invoice or descriptive literature which indicates type or make of the goods. Si la marchandise a été mal classée, joignez la facture ou un document publicitaire la décrivant (nature et marque).</p> <p><input type="checkbox"/> Incorrect value assessed (should be) \$ _____ Coûtation mal établie (devrait être de) \$ _____</p> <p><input type="checkbox"/> Other (please specify) _____ Autre (veuillez préciser) _____ If necessary, attach additional supporting documents. - Joignez des documents à l'appui supplémentaires, s'il y a lieu.</p>	<p><b>c</b></p> <p><b>Refund requested - Remboursement demandé</b></p> <p>Amount of refund requested - Montant demandé \$ _____</p> <p>Date _____</p> <p>Signature _____</p> <p>Day - Jour _____ Evening - Soir _____</p> <p>Telephone numbers - Numéros de téléphone _____</p>
---	---

**Postez cette demande au Centre de remboursement des douanes le plus proche (adresses ci-dessous).**

<p>Customs Refund Centre Centre de remboursement des douanes 400, place d'Youville, 5<sup>e</sup> étage - 5th floor HALIFAX NS B3J 0G6</p>	<p>Customs Refund Centre Centre de remboursement des douanes 100, rue de la Clientèle Client Services Division 400, place d'Youville, 5<sup>e</sup> étage - 5th floor MONTREAL QC H2Y 2C2</p>
<p>Customs Refund Centre Centre de remboursement des douanes 100, rue de la Clientèle Client Services Division LONDON ON N6N 1Y3</p>	<p>Customs Refund Centre Centre de remboursement des douanes 100, rue de la Clientèle Client Services Division WINNIPEG MB R3G 0J8</p>
<p>Customs Refund Centre Centre de remboursement des douanes 100, rue de la Clientèle Client Services Division VANCOUVER BC V6B 2R4</p>	<p>Customs Refund Centre Centre de remboursement des douanes 100, rue de la Clientèle Client Services Division VANCOUVER BC V6B 2R4</p>

**APPENDIX B**

**FORM B2G, CBSA INFORMAL ADJUSTMENT REQUEST**



Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

**CUSTOMS INFORMAL ADJUSTMENT REQUEST  
DEMANDE INFORMELLE DE RAJUSTEMENT DES DOUANES  
NOTICE TO IMPORTERS - AVIS AUX IMPORTATEURS**

This form is to be used when applying for refunds or adjustments on non-commercial importations, Ce formulaire doit être utilisé quand vous faites une demande pour remboursements ou rajustements sur les importations non commerciales.

- PLEASE PRINT IN INK
- INSTRUCTIONS ON REVERSE
- VEUILLEZ IMPRIMER À L'ENCRE
- INSTRUCTIONS AU VERSO

**PART A — IMPORTER INFORMATION  
PARTIE A — INFORMATION CONCERNANT L'IMPORTATEUR**

1. Importer Name and Address - Nom et adresse de l'importateur Name - Nom _____ No. - N° _____ Street - Rue _____ Unit No. - App. _____ City - Ville _____ Province _____ Postal Code - Code postal _____		2. Telephone Number - Numéro de téléphone Residence Domicile ► (     ) _____ Business Bureau ► (     ) _____	
3. Customs Import Receipt Number (Please attach original import document) Numéro de reçu d'importation des douanes (Veuillez joindre le document d'importation original)		4. Date of Importation ►     Y - A     M     D - J Date de l'importation ►	
5. Description of Goods - Description de la marchandise			
6. Reason for Refund/Adjustment Request Raison de la demande de remboursement ou de rajustement (a) <input type="checkbox"/> Goods Returned to Sender/Exported Marchandises retournées à l'expéditeur ou exportées (b) <input type="checkbox"/> Incorrect Value Assessed     Value should be: Valeur évaluée incorrecte . . . . . Valeur devrait être : _____ (c) <input type="checkbox"/> Goods Incorrectly Described or Classified     Should be: Marchandises décrites ou classifiées incorrectement . . . Devrait être : _____ (d) <input type="checkbox"/> Other (specify) Autre (préciser) _____			
7. Please provide a brief explanation of your request and attach the original import document plus documents to support your request, such as; if the goods have been returned to the sender, a credit note from the vendor or proof of export. If the goods were incorrectly classified, descriptive literature or an invoice from the vendor should be attached. Veuillez fournir une brève explication de votre demande et joindre le document original et tout autre document pour appuyer votre demande, par exemple, si les marchandises sont retournées à l'expéditeur, une note de crédit du fournisseur ou preuve d'exportation. Si les marchandises sont classifiées incorrectement, la littérature descriptive ou une facture du fournisseur doit y être attachée.			
8. Declaration - Déclaration I declare the particulars of this document to be true, accurate, and complete.     Je déclare que les renseignements sur ce document sont vrais, exacts et complets.			
_____ Signature		_____ Date	

**PART B — CUSTOMS USE ONLY  
PARTIE B — À L'USAGE DES DOUANES SEULEMENT**

11.		12. Adjustment No. - N° de rajustement	
Date Received - Reçu le		13. Request Approved / Demande approuvée ► <input type="checkbox"/> Yes / Oui <input type="checkbox"/> No / Non	14. Authority - Autorité
		15. Authorizing Officer - Agent autorisé	16. Decision Date ►     Y - A     M     D - J Date de décision ►

B2G (99)

A342



APPENDIX B – cont.

**FORM B2G, CBSA INFORMAL ADJUSTMENT REQUEST INSTRUCTIONS  
(Reverse side of Form B2G)**

**INSTRUCTIONS****PART A — Importer Information**

- Field 1: Print your full name and address.
- Field 2: Provide your telephone number(s) in order that customs may contact you, if necessary, for further information.
- Field 3: Provide the Customs Import Receipt Number from the Customs Postal Import Form or the Casual Goods Accounting Form or from a courier receipt. You must attach the original import document.
- Field 4: Fill in the date of importation of the goods.
- Field 5: Provide a description of the goods in question.
- Field 6: Check the reason for requesting the refund/adjustment:
- (a) If the goods were exported, attach proof of export (i.e. credit note from the vendor or bill of lading).
  - (b) If the value was incorrectly assessed, indicate the proper value and attach invoices from the vendor which show the correct value.
  - (c) For goods incorrectly described or classified, indicate the proper description of the goods and attach any descriptive literature of the goods. If known, indicate the proper classification number.
  - (d) If you are requesting a refund for another reason, please specify the reason (example, goods short-shipped, goods damaged prior to release from customs) and attach the invoices or other documents to support your claim.
- Field 7: Provide a brief explanation of your request.
- Field 8: Please sign and date the request form.

**INSTRUCTIONS****PARTIE A — Information concernant l'importateur**

- Zone 1: Inscrivez votre nom et adresse au complet.
- Zone 2: Indiquer vos numéros de téléphone afin que les douanes puissent communiquer avec vous pour de plus amples renseignements, s'il y a lieu.
- Zone 3: Fournir le numéro de reçu d'importation des douanes de la Formule douanière des importations postales ou la Déclaration en détail des marchandises occasionnelles, ou le reçu d'un service de messagerie. Vous devez joindre le document d'importation original.
- Zone 4: Indiquer la date d'importation des marchandises.
- Zone 5: Fournir une description des marchandises en question.
- Zone 6: Cocher la raison de la demande de remboursement ou de rajustement :
- a) Si la marchandise a été exportée, fournir une preuve d'exportation (par exemple note de crédit du vendeur, connaissance).
  - b) Si la valeur a été incorrectement évaluée, indiquer la bonne valeur et joindre les factures du fournisseur indiquant la valeur réelle.
  - c) Pour la marchandise incorrectement décrite ou classifiée, indiquer la bonne description et joindre tout document décrivant la marchandise. Si disponible, indiquer le numéro de classification.
  - d) Vous demander un remboursement pour une autre raison, préciser cette raison (par exemple marchandise manquante, marchandise endommagée avant la mainlevée par les douanes), et joindre les factures ou autres documents supportant votre demande.
- Zone 7: Fournir une brève explication concernant votre demande.
- Zone 8: Veuillez signer et dater votre demande de remboursement.

---

**Mail your refund application to the nearest Customs Refund Centre (addresses below).**

**Poster votre demande de remboursement au Centre de remboursement des douanes le plus proche (adresses ci-dessous).**

**Customs Refund Centre**  
Centre de remboursement des douanes  
530-266 Graham Avenue  
Winnipeg MB R3C 0J8

**Customs Refund Centre**  
Centre de remboursement des douanes  
685 Hamilton Street  
Vancouver BC V6B 2R4

**Centre de remboursement des douanes**  
Customs Refund Centre  
C.P. 1454  
555, McArthur  
Ville St-Laurent QC H4T 1A0

**Customs Refund Centre**  
Centre de remboursement des douanes  
P.O. Box 3080, Station Park Lane  
1557 Hollis Avenue  
Halifax NS B3J 3G6

**Customs Refund Centre**  
Centre de remboursement des douanes  
2724 Roxburgh Road, Unit 2  
London ON N6N 1K9

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## APPENDIX C

**PRESCRIPTION OF INFORMATION PERTAINING TO THE  
REPORTING OF GOODS IMPORTED AS MAIL**

Pursuant to subsection 12(6) of the *Customs Act* (the *Act*), and in accordance with the authority vested in me by the delegation instrument signed by the Minister of National Revenue on November 10, 1998, pursuant to subsection 2 (4) of the *Act*, I hereby prescribe the following information to be provided for the purposes of reporting goods imported as mail:

- (i) For “casual” goods as defined in section 2 of the *Accounting for Imported Goods and Payment of Duties Regulations*:
  - (a) Name and complete address of sender;
  - (b) Name and complete address, including postal code, of addressee;
  - (c) Description;
  - (d) Value;
  - (e) Quantity;
  - (f) Weight;
  - (g) Signature of sender; and
  - (h) Date shipped.
- (ii) For “commercial” goods as defined in section 2 of the *Accounting for Imported Goods and Payment of Duties Regulations*:
  - (a) Name (including business company name where the exporter is a commercial entity) and complete address of sender;
  - (b) Name (including business company name where the importer is a commercial entity) and complete address, including postal code, of addressee;
  - (c) Description;
  - (d) Value;
  - (e) Quantity;
  - (f) Weight;
  - (g) Signature of sender; and
  - (h) Date shipped.

This information is to be provided in English or French on a customs declaration form/dispatch note approved by the postal administration in the country of export in accordance with accepted Universal Postal Union (UPU) standards and affixed to the mail item. In the case of exporter and importer name and address, this information must be clearly provided as part of the labelling of the parcel, if it does not form part of the customs declaration/dispatch note. The name and address information of the sender and the addressee must be provided in Roman letters and Arabic numerals.

**APPENDIX D**

**FORM E608, SEALING TAPE – OPENED BY CBSA**



## APPENDIX E

**FORM E605, YOUR PACKAGE HAS BEEN EXAMINED**  
**(a Canada Border Services Agency insert)**



Canada Border  
Services Agency

Agence des services  
frontaliers du Canada

**YOUR  
PACKAGE  
HAS BEEN  
EXAMINED**

because a declaration was not found on the outside or because the declaration was incomplete.

To expedite future shipments, please advise your exporter to provide a declaration that includes the value and a complete description of the contents.

Thank you

**VOTRE  
COLIS A  
ÉTÉ  
EXAMINÉ**

parce qu'il n'affichait pas de déclaration ou parce que la déclaration était incomplète.

Pour accélérer le traitement futur de vos colis, veuillez aviser votre exportateur qu'il doit fournir une déclaration de la valeur ainsi qu'une description complète du contenu.

Merci

E605 (06)

**Canada**

**LOCATOR NO.: B519B1.FRP**

Ink: Black

Paper: 40M white

Construction: Padded at top in 50's



**REFERENCES**

<p><b>ISSUING OFFICE –</b></p> <p>Postal Program and Postal Review Unit  Commercial Border Policy Division  Border and Compliance Programs Directorate  Admissibility Branch</p>	<p><b>HEADQUARTERS FILE –</b></p> <p>7980-1</p>
<p><b>LEGISLATIVE REFERENCES –</b></p> <p><i>Customs Act, sections 12, 32, 99, 101, 102, and 147; Canada Post Corporation Act; Customs Tariff; Special Import Measures Act; Excise Act; Excise Tax Act; Goods and Services Tax Act; Proceeds of Crime (Money Laundering) and Terrorist Financing Act; Accounting for Imported Goods and Payment of Duties Regulations; Fees in Respect of Mail Regulations</i></p>	<p><b>OTHER REFERENCES –</b></p> <p>D2-1-4, D2-3-6, D6-2-6, D8-2-2, D11-6-7, D17-1-3, D17-1-10, D17-2-1, D17-2-2, and D19 series</p>
<p><b>SUPERSEDED MEMORANDA “D” –</b></p> <p>D5-1-1, September 23, 2002</p>	

Services provided by the Canada Border Services Agency are available in both official languages.

