



Ottawa, May 4, 2007

MEMORANDUM D3-1-8

In Brief

CARGO – EXPORT MOVEMENTS

1. This memorandum reflects policy and procedural changes introduced through the revised *Reporting of Exported Goods Regulations*.
2. Amendments to the Regulations demonstrate the Canada Border Services Agency's (CBSA) commitment to strengthen trade and promote the safety and security of Canadian exports. The Regulations became law on February 1, 2005, and were implemented by the CBSA on May 16, 2005.
3. This memorandum supersedes memoranda D3-2-4, D3-4-4, D3-5-4 and D3-6-8.
4. This memorandum incorporates and updates export policy from memoranda D3-2-3, D3-4-5, D3-6-7 and the carrier component of D20-1-1.
5. Any questions concerning this memorandum should be directed to:

Export Process
Border and Compliance Programs Directorate
Canada Border Services Agency
191 Laurier Avenue West
Ottawa ON K1A 0L8

Telephone: 613-954-7160
Fax: 613-946-0241
Email: exports@cbsa-asfc.gc.ca



Printed in Canada



Ottawa, May 4, 2007

MEMORANDUM D3-1-8

CARGO – EXPORT MOVEMENTS

This memorandum outlines and explains the legislated and regulatory provisions, policy and procedures respecting the report and control of cargo exported from Canada by air, highway, marine and rail carriers.

TABLE OF CONTENTS

	Page
Glossary	1
Statutory Basis	2
Guidelines and General Information	2
Reporting and Control Procedures	2
Export Memorandum of Understanding	2
Advance Commercial Information	4
Conveyance Reporting	4
Consortia	4
Report of Ferries	4
Report of Fishing Vessels	4
Cargo Reporting	5
Report of Cargo Exported from a Warehouse	5
Report of In-Transit Movements	5
Report to Statistics Canada	6
Air Shipments in Highway Service	6
Record Keeping	6
Privately Printed Forms	6
Enforcement Information	6
Penalty Information	6
Additional Information	7

Glossary

“ACROSS” is the acronym for the Accelerated Commercial Release Operations Support System. (*SSMAEC*)

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

“cargo” means any good transported by a carrier that is produced by the industrial, commercial or agricultural sectors of the economy and is exchanged in trade. (*fret*)

“cargo control document” means a manifest, bill of lading or other control document that acts as the record of a shipment entering or exiting Canada, e.g. Form A6A, *Freight/Cargo Manifest*. (*document de contrôle du fret*)

“carrier” means the entity, other than the exporter, engaged in the business of transporting cargo to, from or through Canada. (*transporteur*)

“CBSA” is the acronym for the Canada Border Services Agency. (*ASFC*)

“chief officer of customs”, with respect to an area or place, means the manager of the CBSA office or CBSA offices that serves that area or place. (*agent en chef des douanes*)

“consolidated shipment” means a method of shipping whereby individual consignments from various consignors are combined to form a single shipment. (*expédition groupée*)

“consortium” means a group of carriers formed to undertake a partnership beyond the resources of any one member. (*consortium*)

“container” means a reusable and identifiable article of transport equipment for freight. (*conteneur*)

“conveyance” means any vehicle, aircraft or water-borne craft or any other vehicle that is used to move persons or cargo, e.g. a marine vessel. (*moyen de transport*)

“conveyance report” means a document used to report the movement of a conveyance to a place outside Canada, e.g. Form A6, *General Declaration*. (*déclaration du moyen de transport*)

“EDI” is the acronym for electronic data interchange. (*EDI*)

“export documentation”, with respect to carriers, means any form of conveyance report, cargo control document or other prescribed documentation necessary for the legal exportation of cargo from Canada. (*documents d’exportation*)

“export reporting office” means any CBSA office designated under section 5 of the Act where the carrier may report. Visit the CBSA Web site at www.cbsa.gc.ca for export reporting office locations and hours of operation. (*bureau de déclaration des exportations*)

“exporter” means the holder of a business number for the purposes of the Act, who exports goods or causes them to be exported. (*exportateur*)

“in transit”, with respect to exports, means the movement of cargo through Canada en route to its ultimate destination, e.g. United States ⇌ Canada ⇌ Europe or United States ⇌ Canada ⇌ United States. (*en transit*)

“mail” means a letter or parcel transmitted through the services of the Canada Post Corporation. (*courrier*)

“master carrier” means the carrier who assumes operational control over the conveyance. (*transporteur principal*)

“memorandum of understanding” is a written description of what two or more parties agree to do as part of an administrative arrangement. A memorandum of understanding is not legally binding. (*protocole d’entente*)

“MOU” is the acronym for memorandum of understanding. (*PE*)

“MOU participant”, with respect to the export of cargo, means a carrier or customs service provider who has formally entered into a memorandum of understanding with the CBSA and agrees to export only goods that have been or will be reported by the exporter in accordance with the Regulations. (*participant au PE*)

“non-resident exporter” means an exporter whose business is not located in Canada but exports goods or causes goods to be exported from Canada. (*exportateur non résident*)

“NDR” is the acronym for No Declaration Required. (*ADR*)

“place of exit” means the location in Canada from which the cargo is exported. (*lieu de sortie*)

“Regulations” means the Reporting of Exported Goods Regulations. (*Règlement*)

“remanifest” means a new cargo control document, with a new cargo control number, that is presented to change a cargo control document previously submitted to the CBSA. (*nouveau manifeste*)

“report” means to submit the necessary export documentation, on paper or electronically, to the CBSA. (*déclaration*)

“United States” means the United States of America, Puerto Rico and the United States Virgin Islands. (*États-Unis*)

Statutory Basis

The *Reporting of Exported Goods Regulations* establish, under the authority of Part V, sections 95 to 97.2, of the *Customs Act*, who must report goods exported from Canada, as well as the time, place and manner of reporting those goods. In addition, the Regulations specify exceptions to the reporting requirements and alternatives to the general manner of reporting.

GUIDELINES AND GENERAL INFORMATION

Reporting and Control Procedures

1. The *Reporting of Exported Goods Regulations* require that all Canadian exports, including in-transit movements, be reported to the Canada Border Services Agency (CBSA)

by submitting the appropriate export documentation to a designated export reporting office within legislated time frames.

2. The carrier is responsible for reporting the conveyance and the cargo through the preparation and timely submission of the conveyance report and cargo control document(s).

Note: It is the exporter’s responsibility to report the goods through the export declaration and the export permit, if applicable. The exporter may contract to delegate this responsibility to a carrier or customs service provider, but the exporter is ultimately accountable for meeting the export reporting requirements set out by the Regulations. For more information, refer to D20-1-1, *Export Reporting*.

3. A valid carrier code is mandatory for all export reporting. The unique, four-digit code identifies the carrier and forms the prefix of the cargo control number. Refer to D3-1-1, *Regulations Respecting the Importation, Transportation, and Exportation of Goods*, for more information.

4. Export documentation not submitted electronically must be submitted to the designated export reporting office located closest to the place of exit or, where the cargo is exported by rail, to the designated export reporting office located closest to the place where the railcar is assembled to form part of a train for export. Visit the CBSA Web site at www.cbsa.gc.ca for export reporting office locations and hours of operation.

5. Where specific time frames do not exist for the submission of the carrier’s export documentation, i.e. the conveyance report and cargo control document(s) of a carrier other than an MOU participant, documentation should be submitted to the CBSA within a reasonable amount of time prior to departure. Doing so may prevent delays and the necessity to offload a shipment or shipments from the conveyance.

Export Memorandum of Understanding

6. Under section 13 of the Regulations, the CBSA has entered into a Memorandum of Understanding (MOU) for carrier reporting with air, highway, marine and rail carriers and customs service providers and couriers.

7. The MOU is an administrative arrangement designed to enhance the security of international trade, expedite export shipments and increase compliance.

8. The agreement is based on the participant’s commitment to export only those goods that have been or, in the case of summary reporting, will be reported to the CBSA by the exporter.

Note: A non-resident exporter is subject to the same reporting requirements under the Regulations as a Canadian exporter.

9. In this regard, the exporter must demonstrate to the exporting carrier that the goods have been or, in the case of summary reporting, will be reported to the CBSA by supplying proof of report.

Note: Only the exporter's proof of report is required; the exporter is not obliged to provide the MOU participant with a copy of the export declaration.

10. Proof of report will be in accordance with the method of report, as follows:

(a) In the case of a Canadian Automated Export Declaration, the proof of report is 23 digits in length, e.g. 12X543SC123420070500546, and includes:

(i) the licence number, which is composed of two numeric, one alphabetic and three numeric digits, e.g. 12X543;

(ii) the authorization ID, which is composed of two alphabetic and four numeric digits, e.g. SC1234; and

(iii) the form ID, which is composed of the year, month and five-digit sequential transaction number, e.g. 20070500546.

(b) In the case of G7 Electronic Data Interchange (EDI) Export Reporting, the proof of report is 17 digits in length, e.g. RC123420070512345, and includes:

(i) the authorization ID, which is composed of two alphabetic and four numeric digits, e.g. RC1234; and

(ii) the form ID, which is composed of the year, month and five-digit sequential transaction number, e.g. 20070512345.

(c) In the case of Form B13A, *Export Declaration*, the CBSA-issued stamp, which may be manual or automated, provides proof that the export declaration was presented to the CBSA and that the goods were reported within the time frames stated in the Regulations. The stamp consists of the year/month/day, time, port code and a unique six-digit reference number, e.g. 2007/05/17 13:00 497 123456.

(d) In the case of summary reporting, the proof of report is the summary reporting ID number, e.g. SUM1234. This ID is unique to the exporter and does not change with each shipment.

(e) In the case of in-transit cargo, the proof of report is the cargo control number that controlled the movement of the goods through Canada to the place of exit. In addition to being used as the proof of report, the cargo control number is also used to acquit the in-transit movement prior to export. Refer to the "Report of In-Transit Movements" section for more information.

Note: The U.S. Customs and Border Protection's Automated Export System (AES) report number is not a cargo control number.

11. The MOU participant should not accept a proof of report that does not follow one of the above noted formats. However, it is not the participant's responsibility to authenticate the proof of report provided by the exporter, nor is it the participant's responsibility to enforce the reporting time frames applicable to the exporter.

12. If the goods are exempt from being reported by the exporter, the exporter is required to indicate to the MOU participant that No Declaration is Required (NDR). The carrier may request more information, in which case the exporter must provide the MOU participant with sufficient detail as to why an export declaration is not required or the applicable NDR, e.g. commercial goods having a value of less than CAN\$2,000 or NDR2. A list of NDRs can be found online at www.cbsa.gc.ca.

13. The MOU participant will list the exporter's proof of report, or NDR, using the cargo control document(s). Where the MOU participant reports via Advance Commercial Information (ACI), the exporter's proof of report, or NDR, is recorded in the "Associated Transport Document Number" field. Alternatively, the carrier may submit a separate report summarizing the required information, provided it correlates to the cargo control document(s) and is submitted within the time frames outlined in the MOU.

14. In the case of consolidated shipments, the MOU participant must provide the exporter's proof of report, or NDR, for each shipment consolidated within the container.

15. In addition to providing the CBSA with the exporter's proof of report, the MOU participant must supply the exporter, directly or through the exporter's customs service provider, with a transportation document number. The transportation document number is a compulsory element of the exporter's export declaration and may be in the form of a booking number, manifest number, waybill number or a charter party date.

Note: Where the transportation document number is not yet available, the carrier will supply the exporter with an alternative reference number.

16. In return, the CBSA authorizes the MOU participant to submit the cargo control document(s) after the conveyance has left Canada. The time frames for reporting are as follows:

(a) where the cargo is exported by aircraft, within one business day after the day on which the aircraft departs from the place in Canada where it is loaded;

(b) where the cargo is exported by vessel, within three business days after the day on which the vessel departs from the place in Canada where it is loaded; or

(c) where the cargo is exported by rail, within one business day after the day on which the railcar on which the cargo is loaded is assembled to form part of a train for export, except where the CBSA and rail carrier(s) have formally agreed to alternative reporting timelines/procedures.

Reminder: There are no reporting requirements for highway carriers unless the exportation is part of an in-transit movement.

17. As per section 12 and subsection 13(4) of the Regulations, the CBSA reserves the right to request that the MOU participant submit the cargo control document(s) before the goods leave Canada.

Note: The MOU participant is still required to submit the cargo control document(s) as per the time frames outlined in paragraph 16.

18. The CBSA will verify the cargo control document(s) of the MOU participant to ensure that the commitments under the MOU are upheld. The CBSA reserves the right to terminate the agreement should an MOU participant fail to meet the terms and conditions of the MOU. Consequently, the carrier would be required to report all cargo prior to export and may be subject to Administrative Monetary Penalty System (AMPS) penalties.

19. CBSA personnel may access a list of all MOU participants on the CBSA intranet site.

20. A sample of the Export MOU, the application form and instructions for completion are available online at www.cbsa.gc.ca.

Advance Commercial Information

21. Advance Commercial Information (ACI) is an EDI-based reporting process that provides for the electronic reporting of conveyance and cargo data (ACROSS service options 703 and 711) within established time frames. Although initially designed for import reporting, ACI is available for marine export reporting and will be an option for other modes in the future. Visit www.cbsa.gc.ca for more information.

Note: Proof of report is a mandatory data element of ACI.

Conveyance Reporting

22. Section 9(1) of the Regulations states that the carrier, regardless of MOU status, must present the conveyance report to the export reporting office closest to the place of exit before the conveyance departs. In rail mode, the conveyance report must be presented to the export reporting office closest to the place where the railcar on which the cargo is loaded is assembled to form part of a train.

Note: Carriers reporting electronically must also present a paper copy of the conveyance report to the CBSA before the conveyance departs.

23. Where the conveyance is loaded in more than one location, a conveyance report must be submitted to the export reporting office closest to each place of lading.

24. Section 9(2) of the Regulations excuses the highway carrier and the air carrier, in the case of a regularly scheduled flight from submitting a conveyance report unless the CBSA requests that the carrier report the conveyance.

25. The conveyance report number is issued by the CBSA at the export reporting office closest to the place of exit. This number must appear on the top right-hand corner of the conveyance report.

Note: Where the conveyance report is submitted electronically, the carrier is required to create an interim conveyance report number that must not be repeated within three years. This number must be noted in the "Remarks" field of the paper copy of the conveyance report submitted to the CBSA in order for the CBSA to access the information in ACROSS.

Consortia

26. Only the master carrier is obliged to submit the conveyance report to the CBSA. The master carrier must either provide the conveyance report number or a copy of the conveyance report to the consortium members.

27. The master carrier must list all members of the consortium in the "Remarks" field of the conveyance report.

28. The CBSA-issued conveyance report number links the cargo of the consortium members to the conveyance and must appear on the top right-hand corner of the cargo control document(s) of each member. Alternatively, the consortium member may submit a copy of the master carrier's conveyance report.

Report of Ferries

29. Section 18 of the Regulations states that where a vessel is used on a particular day solely or principally for the transportation of conveyances, travellers, hazardous waste, etc., across international waters, the carrier will report the exportation of the vessel by presenting the conveyance report to the chief officer of customs at the designated export reporting office located nearest to the place where the vessel docks immediately upon the return of the vessel to Canada after its last trip on that day.

Report of Fishing Vessels

30. As per section 16 of the Regulations, the exportation of a commercial fishing vessel that is registered or licensed under the *Canada Shipping Act* does not have to be reported to the CBSA each time the vessel leaves Canada. Therefore, the carrier will report the exportation of the vessel prior to

the first voyage by presenting the conveyance report to the chief officer of customs at the designated export reporting office.

Cargo Reporting

31. As per section 10 of the Regulations, the carrier is responsible for reporting all cargo, including in-transit cargo, by completing and presenting the cargo control document(s), prior to export, to the designated export reporting office located closest to the place where the cargo is loaded aboard the conveyance.

32. Section 12 of the Regulations states that a highway carrier is not required to submit the cargo control document(s) unless the export is part of an in-transit movement or the CBSA requests that the carrier report the cargo.

33. Where cargo is loaded aboard a conveyance at more than one port, the carrier is only required to report the cargo at the place where it is loaded.

34. Carriers submitting the cargo control document(s) electronically must also transmit the electronic version of the previously filed conveyance report. This allows the CBSA and Statistics Canada to harmonize the documents.

Reminder: Unless the cargo is in transit, an MOU participant is eligible to report the cargo after the shipment has left Canada. See the section entitled “Export Memorandum of Understanding” for more information.

Report of Cargo Exported from a Warehouse

35. Where cargo is removed from a customs sufferance or customs bonded warehouse for export, the carrier must submit the cargo control document(s) to the CBSA for validation before the cargo is removed from the warehouse. Once validated, the CBSA will return the cargo control document(s) to the carrier; the carrier will then present the document(s) to the warehouse operator and then to the CBSA at the place of exit.

36. Furthermore, where the cargo is removed from a customs bonded warehouse, an accounting document (e.g. Form B3, *Canada Customs Coding Form*) must accompany the cargo control document(s). The accounting document and the cargo control document(s) must cross-reference each other and care must be taken to ensure the description and quantities are the same on both documents. Refer to Appendix C of D17-1-10, *Coding of Customs Accounting Documents*, for a description of various forms of accounting documentation and instructions on how to complete them.

37. Refer to the D4 series of memoranda for more information concerning customs sufferance or customs bonded warehouses.

Report of In-Transit Movements

38. An in-transit movement is considered both an import movement and an export movement. The report of the inbound movement is covered under section 12 of the *Customs Act* and the outbound movement is covered under section 95. This memorandum addresses only the policy and procedures as they pertain to the export movement of an in-transit shipment.

39. With regard to in-transit cargo, the CBSA aims to ensure that:

(a) the cargo that exits the country is the same cargo that entered the country, i.e. original condition and quantity;

(b) the cargo in transit is not diverted*; and

(c) the cargo in transit is not a threat to Canada or its international destination.

* It is understood that sometimes the place of exit changes en route.

40. In the case of in-transit movements, e.g. United States ⇌ Canada ⇌ Europe, section 11 of the Regulations requires that the exporting carrier, regardless of MOU status, report the in-transit cargo prior to export.

41. Where the cargo is in transit through Canada, and it originates from and is returning to the United States, i.e. United States ⇌ Canada ⇌ United States, the carrier will follow the “two-stop process” outlined in D3-4-5, *Highway Cargo – In-Transit Movements*.

42. Where the cargo is remanifested, the transferring carrier must provide the exporting carrier with the cargo control number and complete, accurate details of the in-transit movement. The exporting carrier must report the transferring carrier’s cargo control number with the conveyance report. Additionally, the exporting carrier must report the transferring carrier’s cargo control number and the complete, accurate details of the in-transit movement on the new cargo control document(s). For example:

(a) A shipment arrives by highway carrier at an air port in Canada in transit to Austria. The highway carrier must provide the air carrier with the cargo control number and complete, accurate details of the in-transit movement.

(b) A shipment arrives by vessel at a marine port in Canada in transit to the United States by rail. The marine carrier must provide the rail carrier with the cargo control number and complete, accurate details of the in-transit movement.

(c) An in-transit shipment arrives by highway carrier at a Canadian rail yard for furtherance to a Canadian marine port for export to the Republic of Korea. The highway carrier must provide the rail carrier with the cargo control number and complete, accurate details of the highway portion of the in-transit movement. The rail carrier must provide the marine carrier with the cargo control number and complete, accurate details of the rail portion of the in-transit movement.

43. The carrier must report in-transit cargo before the goods leave Canada as follows:

(a) if the goods are exported by mail, at the designated export reporting office located closest to the post office where the goods are mailed;

(b) if the goods are exported by vessel, at the designated export reporting office located closest to the place where the goods are loaded aboard the vessel for export;

(c) if the goods are exported by aircraft, at the designated export reporting office located closest to the place of departure of the aircraft from Canada;

(d) if the goods are exported by rail, at the designated export reporting office located closest to the place where the railcar on which the goods are loaded is assembled to form part of a train for export; and

(e) if the goods are exported by highway, at the designated export reporting office located closest to the place of exit of the goods from Canada.

44. For all modes, the CBSA will ensure that the description and quantities on the cargo control document(s) match those reported on the previous cargo control document(s).

45. When accidents, load shifts or other circumstances occur during the in-transit movement, the carrier must contact the nearest CBSA office. The CBSA will provide the carrier with instructions for managing the cargo.

Report to Statistics Canada

46. Subsection 13(3) of the Regulations states that a carrier exporting cargo via a marine vessel must submit a supplementary cargo control document(s) to Statistics Canada within five business days after the end of the month in which the cargo was exported.

47. The CBSA will continue to submit the cargo control document(s) to Statistics Canada on behalf of the carrier.

Air Shipments in Highway Service

48. When necessary, an air carrier may employ the services of a highway carrier to transport cargo for export from a Canadian airport to an airport in the United States. The

movement must be documented on the cargo control document(s) and the air carrier assumes full liability for the movement.

Record Keeping

49. Currently, section 22 of the Act stipulates that only the importing and intermediary carrier must keep records; however, the Act is being revised to include the exporting carrier. The retention period for the records, established by the *Regulations Respecting the Transportation of Goods*, is three years.

Privately Printed Forms

50. The private printing of the conveyance report and/or cargo control document(s) does not require CBSA approval. The document must contain all prescribed fields and be in accordance with the specifications outlined in D3-1-1, *Regulations Respecting the Importation, Transportation and Exportation of Goods*. Any privately printed form exhibiting the CBSA banner must exist in bilingual format. For guidance or for more information, refer to D3-1-1.

Enforcement Information

51. For enforcement purposes, the CBSA will conduct examinations on a selective basis. If the CBSA elects to inspect a shipment, any moving or unloading of goods is done by, and at the expense of, the carrier.

52. The CBSA takes the position that enforcement action, e.g. administrative monetary penalties, may be taken against non-compliant carriers once a point of finality has been reached. The point of finality represents the stage in the export process where the intent to export goods from Canada has been demonstrated conclusively and is determined according to the reporting requirements set out in the Regulations.

53. An amendment to the carrier's export documentation is permitted, provided the cargo is physically within the carrier's control. If revised export documentation is submitted before the CBSA takes action against the carrier, the amended documentation must be taken into account. The CBSA must provide the carrier with every opportunity to report and otherwise comply under the Act and the Regulations before taking any enforcement action.

Penalty Information

54. The Administrative Monetary Penalty System (AMPS) is a civil penalty regime designed to encourage compliance with CBSA legislation through the application of monetary penalties. Penalties are imposed in proportion to the type, frequency and severity of the infraction and are corrective rather than punitive in nature.

55. AMPS penalties will be applied against the carrier code when the requirements set out by the Regulation are not met.

56. For more information about AMPS, see D22-1-1, *Administrative Monetary Penalty System*, or visit www.cbsa.gc.ca/amps. For export-specific details, visit www.cbsa.gc.ca/export/.

Additional Information

57. For additional information, visit the Border Information Service (BIS) online at www.cbsa.gc.ca or call BIS toll-free in Canada at **1-800-461-9999**. If you are calling from outside Canada, you can access BIS by calling 204-983-3500 or 506-636-5064 (long-distance charges will apply).

58. Any questions concerning this memorandum should be directed to:

Export Process
Border and Compliance Programs Directorate
Canada Border Services Agency
191 Laurier Avenue West
Ottawa ON K1A 0L8

Telephone: 613-954-7160
Fax: 613-946-0241
E-mail: exports@cbsa-asfc.gc.ca

REFERENCES

<p>ISSUING OFFICE –</p> <p>Export Process Border and Compliance Programs Directorate</p>	<p>HEADQUARTERS FILE –</p> <p>7605-10</p>
<p>LEGISLATIVE REFERENCES –</p> <p><i>Customs Act</i> <i>Reporting of Exported Goods Regulations</i></p>	<p>OTHER REFERENCES –</p> <p>D3-1-1, D20-1-0, D20-1-1</p>
<p>SUPERSEDED MEMORANDA “D” –</p> <p>D3-2-4, March 6, 2000 D3-4-4, March 7, 2000 D3-5-4, March 15, 2000 D3-6-8, March 6, 2000</p>	

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

