Customs Import, Export and Permit Procedure

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<tr>
<th>Office of Administrative Responsibility:</th>
<th>Supply Management Services (Business Services)</th>
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<tr>
<td>Approver:</td>
<td>Associate Vice-President (Finance and Supply Management Services)</td>
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<td>Scope:</td>
<td>Compliance with this university policy/procedure extends to all Academic Staff, Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B), and to all students.</td>
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</table>

Contact for questions about this procedure: SMS Customs Services
780-492-3435
customs@sms.ualberta.ca

Overview

The University of Alberta (UofA) offers a central customs service for all faculties, departments and units. Customs Services is responsible for ensuring that all UofA import and export transactions are compliant with applicable Canadian legislation.

Customs Services provides information and guidance to the UofA community in all areas of cross-border transactions including importing goods, exporting goods and obtaining import and export permits. This procedure assists Customs Services to best coordinate the accurate and timely clearance of goods entering and exiting Canada.

Purpose

- Provide information and guidance to UofA employees, researchers, students and suppliers regarding documentary and other requirements necessary for shipping goods into and out of Canada.

- Ensure that the appropriate import and export permits, for goods controlled or regulated by various Canadian government agencies, are in the possession of the UofA.

- Achieve the accurate and timely release of UofA shipments from Canada Border Services Agency (CBSA), through UofA’s customs broker, by ensuring the appropriate documents and information are provided.

- Ensure that only business related shipments are declared to CBSA on the UofA’s import record.

- Minimize and eliminate any potential areas of non-compliance and associated penalties within the Administrative Monetary Penalty System (AMPS) and other government agency regulations.

- Reduce and eliminate unnecessary re-import duties and taxes on goods temporarily shipped out of Canada.
PROCEDURE

Summary

1. IMPORTING GOODS
2. EXPORTING GOODS
3. CUSTOMS PERMIT PROCEDURE

1. IMPORTING GOODS

Departments should contact Customs Services as early as possible in the planning stages. Normally, 3-6 weeks are required to arrange for permits and documentation, depending on the requirements.

When purchasing or acquiring goods from a location outside of Canada, complete the following steps:

a. Obtain an Import Permit (If Applicable)

   It is the responsibility and obligation of the importer to ensure imported goods and services are compliant with the Customs Act and its associated regulations. Failure to properly declare commercial goods, pay duties and taxes, and retain all supporting documentation may result in penalties under AMPS. Depending on the type and frequency of the contravention, penalties may range from $100 to $25,000 per contravention. Penalties increase progressively against the institution so a unit’s first offence may result in a high penalty if it is not the institution’s first offence. The payment of these penalties is the responsibility of the home unit or department of the employee ordering or taking possession of the imported goods.

   i. Determine if the goods to be imported require an import permit. (See: Section “3.” of this procedure.)
   ii. Contact the Office of Environment, Health and Safety (EH&S) for information relating to the importing of human pathogens or radioactive materials.
   iii. Apply to the appropriate Canadian government agency to have an import permit(s) issued.
       (For assistance or advice, contact Customs Services at 492-3435.)
   iv. Once the import permit has been issued and obtained, provide a copy to Customs Services and file the original in the unit/department.

b. Purchase the Goods from the Foreign Supplier

   i. Determine the appropriate method of purchasing. Purchasing methods are listed below, in order of preference:

      - Purchase Order (PO) (via SupplyNet)
        Issuing a PO is the preferred and recommended method of ordering goods from a foreign supplier.
        A PO must be used to order restricted or controlled goods, regardless of value. For further details: see Purchase of Restricted Items Procedure (UAPPOL).

      - Corporate Purchasing Card (PCard)
This method may be used if foreign goods are not restricted or controlled as specified in the Corporate Purchasing Card Procedure (UAPPOL) and if the value of the goods does not exceed the PCard transaction limit.

c. Provide Commercial Invoice Requirements to the Foreign Supplier, along with the Import Permit (if applicable)

i. The foreign supplier must complete a commercial invoice for any shipment entering Canada. Specific information is required to assist in Canada customs clearance. This includes:

- delivery address at UofA;
- “bill to” address (if different than the delivery address);
- UofA’s Business / GST registration number;
- PO number; or speed code and account if ordered using a PCard;
- itemized description of goods ordered including catalog, model or part numbers;
- country of manufacture of each item;
- Harmonized System (HS) tariff code;
- value and currency of each item;
- separate item lines showing freight, insurance & handling costs and educational or volume discounts;
- reason for the transaction (i.e. sale, demo, return of repair);
- special handling requirements (i.e. perishable items on dry ice); and
- name of UofA’s customs broker. For details, see: Customs Services – Importing Goods into Canada (SMS website).

ii. Provide the foreign supplier with a copy of the import permit, if applicable. The permit must be attached to the outside of the shipment, and visible, along with any other customs documents.

d. Have a Pre-Alert or Advance Shipping Notification emailed to the UofA’s Customs Broker

i. Ask the foreign supplier to email a Pre-Alert or Advance Shipping Notification to the UofA’s customs broker. This must include a copy of the payable invoice, tracking information (waybill/bill of lading and freight forwarder or courier name), and dangerous goods declaration and import permits, where applicable. This will enable the Customs Broker to prepare Canadian entry documents prior to the arrival of the shipment.

e. Release of Goods from Canada Customs/Delivery to UofA via Courier/Freight/Hand Carry

This section does not apply to Low Value Goods. For that process, see the following section: “f”.

i. If further clarification regarding the goods is required by the broker, Customs Services will contact the employee responsible for placing the order and obtain the required information.

ii. Duties and taxes are the responsibility of the ordering unit. If a PO number or speed code/account is not referenced on the foreign supplier’s documents, Customs Services will contact the ordering department to obtain the information for billing purposes.

iii. After CBSA release is obtained, the broker will notify the courier or freight company of the release authorization, and the shipment is first delivered to SMS Central Receiving.
iv. Once Central Receiving verifies that shipments received are indeed destined for UofA locations and are business related shipments, it will deliver the shipment to the actual delivery address.

- Non-UofA locations are returned to the courier company for delivery to the correct address.

- Non-business, or personal shipments, are removed from the UofA’s import list and returned to the courier company for delivery to the individual’s residence or alternate address. Employees and students are not to arrange for personal items to be shipped to the UofA.

v. Upon receipt of the shipment, an employee within the ordering unit or department should verify the contents of the shipment against the packing slip enclosed in the shipment by the foreign supplier.

vi. The packing slip should be matched to the order, and signed and dated by the employee endorsing that all contents are accounted for and were received in good order. A scanned copy of the packing slip may be attached to the receipt record on the PO in SupplyNet.

vii. If the goods are not the items ordered, are not the quantity ordered, are damaged or are of inferior quality, contact Customs Services immediately to amend the declaration to CBSA.

f. Clearance of Low Value Goods and Delivery to the UofA via Canada Post

Canada Post, using a Form E14, reports low value goods (under $2,500 CAD) shipped via mail from international locations to the CBSA. These shipments are delivered to the UofA on a “Collect on Delivery” (COD) basis.

i. E14-COD items arrive at Central Receiving.

ii. The individual or department indicated as the addressee on the package is contacted by email with the following information:

- exporter’s name;
- name of the foreign supplier; and
- total value of GST, administrative (brokerage) fees, duty and taxes owing.

iii. Upon reviewing the details of the shipment and the associated charges, the recipient has three options available:

- Accept the item: provide a speed code and account via return email.
- Refuse the item: via return email.
- If it is a personal item, ask that it be forwarded to the Garneau postal outlet so that the individual can pick it up at that location and pay for any charges incurred: via return email.

iv. Distribution will then forward the parcel to the recipient’s department, return it to the sender, or forward it to the postal outlet as instructed by the recipient.
g. Retention and Filing of Source Documents

i. The unit must retain a copy of the following forms and attachments for six years plus the current year, for financial and auditing purposes. Documents should be filed by foreign supplier name, and by date of release from CBSA.

- Import permit (if applicable).
- Order document (e.g. Corporate P-Card log sheet from FS Forms Cabinet).
- Commercial invoice or customs document(s) accompanying the shipment.
- Packing slip.

ii. Customs Services will retain the following forms, for six years plus the current year:

- Customs accounting entry documents (Form B3).
- Commercial invoice or customs documents provided by the broker.
- Broker’s invoice and proof of payment.

iii. The following electronic documents are considered original source documents and are retained within SupplyNet:

- Requisition, PO, and quote.
- Online receipts, scanned packing slips (in SupplyNet).
- Electronic invoices (.pdf or online) created and submitted by the foreign supplier.

2. EXPORTING GOODS

Units and departments should contact Customs Services early in their planning stages. Generally, 3-6 weeks are required by Customs Services to arrange for export documents depending on the complexity of logistics, number of different items in the shipment and the requirement to obtain a permit(s).

When shipping or carrying UofA-owned goods out of Canada, complete the following steps:

a. Itemize Goods

Before packaging the goods for shipping, prepare a list (using an Excel spreadsheet) of all goods to either be shipped from or carried out of Canada. The following information is required:

i. Specific and detailed description of each item, including how the item is used and its purpose.

ii. Model/serial numbers, part numbers and UofA tag numbers for each item, if applicable.

iii. Country of manufacture for each item.

iv. The value (the actual price paid or payable) and currency of each item.
b. Obtain an Export Permit (If Applicable)

It is the responsibility and obligation of the exporter to ensure that exported goods are compliant with the Customs Act and its associated regulations. Failure to properly declare commercial goods and retain all supporting documentation may result in penalties under the AMPS. Depending on the type and frequency of the contravention, penalties may range from $100 to $25,000 CAD per contravention. The payment of these penalties is the responsibility of the individual unit or department shipping or carrying the goods.

i. Determine if the goods to be exported require an export permit or if the intended recipient in the foreign destination requires an import permit in his/her country. (See: Section 3 of this procedure.)

ii. Apply to the appropriate Canadian government agency to have an export permit(s) issued. Contact Customs Services for assistance or advice.

iii. Once the export permit has been issued and obtained, provide a copy to Customs Services and send the original with the shipment.

c. Prepare the Shipping Documentation

i. If goods are being shipped via a courier or freight company, prepare a Shipping Form (available from the FS Forms Cabinet).
   - Itemize goods as in s. 2. a.
   - Shipments to the USA should include the recipient company’s IRS, EIN or Federal Identification Number.
   - If only one item is being shipped, details may be typed on the Shipping Form.
   - If multiple items are being shipped, an itemized list may be attached to the form.
   - Ensure that the reason for sending the shipment is included.

ii. If goods are to accompany a UofA employee on his/her trip outside of Canada, a written request to Customs Services for customs documents should be made 3-6 weeks prior to the intended travel date, depending on the complexity of the goods or the destination country.

d. Ship the Goods

Goods leaving Canada must be declared to the CBSA if the value exceeds $2,000 CAD or an export permit has been issued. Complex shipments may be given over to a freight forwarder and in these instances, 3-6 weeks of lead time is required.

i. When the shipment is ready to leave the UofA, send the following to SMS Central Shipping:
   - the sealed and addressed carton or package containing the goods;
   - the completed and signed Shipping Form; and
   - the export permit(s), license(s) or dangerous goods documents as required.

ii. SMS Shipping will prepare and provide the bill of lading through the courier or freight company, the Commercial Invoice and/or formal Export Declaration to CBSA as required.
e. Carrying Goods/Goods Accompanying a Traveller

Goods accompanying an employee who is leaving Canada must be declared to CBSA if the value exceeds $2,000 CAD or an export permit has been issued. For additional information, see: Customs Services - Exporting Goods from Canada (SMS website).

When staff is travelling (especially by air) to or through the USA, Customs Services recommends obtaining an ATA Carnet. This is an internationally recognized customs document for the temporary importation of goods to over 75 countries. Customs Services purchases a bond to cover potential duties and/or taxes in a foreign country. This helps to speed up travel as no other customs entry or reporting is required. A Carnet application normally takes 3-5 business days.

Customs Services prepares export documentation and arranges paperwork for goods being accompanied by an employee or student for international field research, conferences, meetings and competitions.

i. Any employee or student planning to ‘hand-carry’ UofA equipment internationally (excluding cellular phones, laptops, PDA, iPads/tablets) must provide Customs Services with a list of the items for export a minimum of 3 weeks prior to the date of travel. Further lead time is recommended as some export permits take up to 6 weeks. The following information must be provided with the list of items:

- name and campus address of employee or student;
- name and address of foreign recipient;
- detailed description of the goods, including model/serial/catalogue number, source of DNA/RNA material and UofA equipment tag number;
- quantity of the goods;
- value of the goods (actual price paid or payable for purchased goods);
- country of manufacture (or in the case of books, country of printing); and
- reason for shipping (e.g. sold to consignee, equipment for repair & return to Canada).

ii. A package of customs documents with instructions on how to declare goods will be provided to the traveller prior to the trip date. Goods without appropriate documentation can be delayed, refused or seized and destroyed by customs authorities.

iii. In addition to the list of items, Customs Services may require additional information. For further information, see: Customs Services - Exporting Goods from Canada (SMS website).

f. Retention and Filing of Source Documents

i. The unit must retain a copy of the following forms and attachments for six years plus the current year, for financial and auditing purposes.

- Export permit, license and dangerous goods documents (if applicable).
- Copy of the shipping form.
- Stamped copies of documents provided to the traveller (to carry goods) by customs.

ii. Customs Services will retain the following forms, for six years plus the current year:

- Carrier/courier bill of lading.
- Commercial Invoice and/or a formal Export Declaration.
3. CUSTOMS PERMIT PROCEDURE

Import and export permits are used by various agencies in the Canadian government to control or identify the flow of specific commodities into and out of Canada. The use of permits ensures the safety of public health, the environment and Canadian industry. Permits must be obtained and be in the possession of the holder prior to goods crossing the Canadian border. Goods without an appropriate permit risk being refused entry or exit and may be seized or forfeited at the unit or department’s expense. Permits cannot be issued after goods arrive at the border.

Certain goods may not require a permit, but may require a special certificate (such as a Phytosanitary Certificate). In other situations, a specific “statement” must be included on the import documents.

A listing of commodities and goods requiring import and export permits is available, as a guideline, on the SMS website under Customs Services - Permits, Licenses and Other Government Departments. Because of changing regulations, permit or other requirements should be confirmed by contacting the appropriate government agency or UofA Customs Services at 492-3435.

a. Determine if Goods Require a Permit

i. The end-user at UofA, with detailed knowledge of the commodity and its proposed use, is encouraged to speak directly with the agency responsible for issuing permits.

ii. UofA Customs Services can provide contact information for various agencies if required, or can contact an agency on behalf of an individual at the UofA, upon request.

b. Complete a Permit Application

i. If a permit is required, blank permit applications can be obtained from Customs Services or directly from the issuing agency.

ii. The applicant (holder of the permit) should be a full-time employee of the UofA, with detailed knowledge of the commodity and its use at the UofA.

Students are not authorized to sign customs permit applications on behalf of the UofA. An employee may sign an application for an item that will be used by a student, and undertakes all responsibility for that item as the signee.

iii. Complete the permit application and submit with payment to the appropriate agency.

iv. Permits are mailed directly to the applicant. Once received:

- Retain the original import permit in the unit/department, and send a copy to Customs Services and to the foreign shipper who will attach the permit to the goods crossing the border.
- Original export permits must accompany goods leaving Canada. Send a copy to Customs Services and attach the original to the export documentation to ensure that the permit accompanies the goods being transported across the border.
DEFINITIONS

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<td>Exporting Goods</td>
<td>Sending or taking goods outside Canada.</td>
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<tr>
<td>Import and Export Permit</td>
<td>Various government agencies issue permits for various reasons. In Canada, the most common is Canadian Food Inspection Agency. CFIA issues permits related to the importation of food, plants, animals and their products. Other permits may be issued by Health Canada (e.g. human pathogens) or International Trade Canada (e.g. steel products).</td>
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<tr>
<td>Importer</td>
<td>The unit or department ordering or accepting foreign goods is considered to be the importer of the goods.</td>
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<td>Restricted or Controlled (goods)</td>
<td>Goods, upon import into Canada, requiring an Import Permit, License or Certificate under any act of Parliament.</td>
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<td>Pre-Alert or Advance Shipping Notice</td>
<td>A Pre-Alert or Advance Shipping Notice email is a written indication for the customs broker that a shipment of goods entering Canada is the responsibility of the University of Alberta. To expedite customs clearance and avoid accounting delays, these documents must be complete and accompany all goods entering Canada destined for the University, whether the goods are purchased or are supplied at no-charge. Shipments without the documents attached will be subject to delays while the broker verifies ownership and accountability. This is required for all shipments that do not prominently display a UofA PO number, as provided by SMS.</td>
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<td>Low Value Goods</td>
<td>Low value goods are any item that is valued under $2,500 CAD.</td>
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<tr>
<td>Exporter</td>
<td>The unit or department sending the goods to a foreign country, or the individual carrying the goods across the Canadian border to a foreign country, is considered to be the exporter of the goods.</td>
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FORMS

Should a link fail, please contact uappol@ualberta.ca.

Corporate P-Card Log Sheet
Shipping Form

RELATED LINKS

Should a link fail, please contact uappol@ualberta.ca.
Administrative Monetary Penalty System Program (AMPS)

Canada Border Services Agency (CBSA)

Canadian Food Inspection Agency

Corporate Purchasing Card Procedure (UAPPOL)

Customs Services (SMS Website)

Export and Import Controls Bureau

Health Canada

Natural Resources Canada

Purchase of Restricted Items Procedure (UAPPOL)

Purchase Order Procedure (UAPPOL)