



# Memorandum D2-4-1

Ottawa, January 29, 2019

## Temporary Importation of Conveyances by Residents of Canada

### In Brief

This memorandum has been updated due to a technical revision. Revisions to the text do not affect or modify any of the existing guidelines or procedures contained in this memorandum.

This memorandum outlines and explains the legislation, regulations, and conditions under which residents of Canada are permitted to import conveyances on which duties have not been paid for temporary use in Canada.

### Legislation

[Excise Tax Act](#) - section 213 and Schedule VII

[Non-Taxable Imported Goods \(GST/HST\) Regulations](#) - section 2 (qualifying vehicle) and subsection 3(m)

[Value of Imported Goods \(GST/HST\) Regulations - section 15](#)

[Customs Tariff](#)

#### Tariff item No. 9802.00.00

Conveyances temporarily imported by a resident of Canada to be employed in the international non-commercial transportation of that person and accompanying persons using the same conveyance.

#### Tariff item No. 9993.00.00

Goods, not including conveyances, containers or baggage of tariff item No. 9801.10.10, 9801.10.20, 9801.10.30 or 9801.20.00, or of Chapter 89 (except when imported for the purpose of repair, overhaul, alteration, adjustment, storage, display at an exhibition of similar manufacturers, racing, testing, certification by an accredited organization, or to be employed in the production of films or commercials, or in response to an emergency or emergency response training exercise, or for in-transit movement through Canada, or as a commercial sample, or when imported by non-resident teams or athletes, or their support personnel, for their use in professional or organized amateur sports activities, or when imported by non-residents for their use in providing live entertainment such as aquatic displays), when imported on a temporary basis, on condition that

(a) the goods are not sold or further manufactured or processed in Canada;

(a.1) the goods are not leased except where imported for use

(i) in an emergency or emergency response training exercise,

(ii) on loan pending delivery of new machinery or equipment on order, or

(iii) as temporary replacements for machines or other equipment previously accounted for and undergoing repairs;

(b) the use of the goods is specified by the importer at the time of reporting of the goods under the *Customs Act*, that use is not limited or restricted by regulation, and the goods are released for that specified use;

(c) the goods are imported in no greater quantity than is reasonable, in the view of the Minister of Public Safety and Emergency Preparedness or a designated customs officer, for the use specified under paragraph (b);

(d) the goods are accompanied, in prescribed circumstances, by prescribed documents and by security of a nature and in an amount satisfactory to the Minister of Public Safety and Emergency Preparedness or a designated customs officer, unless otherwise provided by regulation;

(e) the goods are not diverted to a use that is limited or restricted by regulation, or to a use that would preclude the goods from being classified under this tariff item; and,

(f) within eighteen months of the date of the reporting of the goods under the *Customs Act* or within any other period prescribed for those goods, the goods are:

(i) exported from Canada and evidence, satisfactory to the Minister of Public Safety and Emergency Preparedness or a designated customs officer, of the exportation is provided to the Minister of Public Safety and Emergency Preparedness or the designated customs officer,

(ii) destroyed and the destruction is certified by a customs officer or by another person designated by the Minister of Public Safety and Emergency Preparedness, or

(iii) consumed or expended under prescribed circumstances.

### Customs Tariff

132 (1) The Governor in Council may, on the recommendation of the Minister, make regulations

(1) for the purposes of tariff item No. 9993.00.00, limiting or restricting the use, kinds or quantity of goods that may be classified under that tariff item;

133. The Governor in Council may, on the recommendation of the Minister of Public Safety and Emergency Preparedness, make regulations

(d) for the purposes of tariff item No. 9802.00.00,

(i) prescribing conditions under which conveyances may be imported,

(ii) limiting the length of time that any imported conveyance may remain in Canada and the use that may be made of the conveyance while it remains in Canada, and authorizing the Minister of Public Safety and Emergency Preparedness to extend those limits,

(iii) excluding any class of conveyance from classification under that tariff item, and

(iv) authorizing the Minister of Public Safety and Emergency Preparedness to require security for imported conveyances and limit the amount and type of security that may be required;

## Regulations

### *Regulations Respecting Temporary Importation of Conveyances by Residents of Canada*

#### Short Title

1. These Regulations may be cited as the *Temporary Importation of Conveyances by Residents of Canada Regulations*.

#### Interpretation

2. In these Regulations,

“commuter” means

(a) a resident who is employed by an employer who operates a business in the United States and for whom the employer supplies a conveyance, on which duties have not been paid, for use in connection with that business

and for travelling between the resident's place of employment in the United States and the resident's residence, and

(b) a resident who operates a business in the United States and who uses a conveyance, on which duties have not been paid, in connection with that business and for travelling between the resident's place of business in the United States and residence; (*travailleur migrant*)

“conveyance” means any vehicle, aircraft or other contrivance that is used to move persons or goods, but does not include water-borne craft; (*moyen de transport*)

“hire or reward” means any payment, consideration, gratuity or benefit directly or indirectly charged, demanded, received or collected by a person for the carriage of passengers or goods; (*rémunération ou salaire*)

“Minister” means the Minister of National Revenue; (*ministre*)

“resident” means a person who, in the settled routine of the person's life, makes that person's home, resides and is ordinarily present in Canada. (*résident*)

### **Terms and Conditions of Importation of Conveyances**

3. A conveyance may be imported if,

(a) the conveyance, while in Canada is to be used solely for the transportation of a resident and accompanying persons from the point of arrival in Canada directly to a specified destination in Canada and from the specified destination to a destination outside Canada;

(b) in the case of a commuter, the conveyance while in Canada is to be used for the personal transportation of the commuter and accompanying persons from the point of arrival in Canada to specified destinations in Canada and from a specified destination in Canada to a destination in the United States;

(c) in the case of a resident other than a commuter, the conveyance is to be imported only for the purpose of transporting his household or personal effects into or out of Canada, or for personal transportation as a result of an emergency or unforeseen contingency;

(d) in the case of a commuter, the conveyance is to be imported for the purpose of personal transportation of the commuter and accompanying persons between his place of residence in Canada and a point in the United States or for the purpose of visiting clients in Canada on behalf of his employer;

(e) the conveyance is not to be used in Canada for the purpose of

(i) touring or other leisure activity,

(ii) carrying passengers or goods for hire or reward,

(iii) transporting goods for sale, or

(iv) soliciting sales or subscriptions on behalf of an employer who operates a business in Canada;

(f) at the time of importation, the person importing the conveyance specifies to the customs officer the date on which that person intends to export the conveyance from Canada; and

(g) the conveyance is exported from Canada within the time limit specified in section 5.

4. Repealed (SOR/88-84)

### **Time Limits**

5. (1) A conveyance may remain in Canada until the expiration of

(a) the intended date of exportation specified pursuant to paragraph 3(f), or

(b) 30 days from the date of its importation, whichever is the earlier.

(2) Where it is impossible or impracticable for a resident to comply with the requirements referred to in subsection (1), the Minister may extend the time during which a conveyance may remain in Canada for any additional period not exceeding 60 days from the date of its importation into Canada.

6. The Minister may require security with respect to a conveyance that is temporarily imported in the form of cash or a certified cheque in an amount not exceeding the duties that would be payable if tariff item No. 9802.00.00 did not apply to that conveyance.

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## Guidelines and General Information

### Residents of Canada (tariff item No. 9802.00.00)

1. Residents of Canada may operate conveyances on which duty and taxes have not been paid in Canada in accordance with the terms and conditions of tariff item No. 9802.00.00 and the *Regulations Respecting Temporary Importation of Conveyances by Residents of Canada* made pursuant thereto.

**Note:** Water-borne crafts are excluded from the definition of conveyances in the Regulations and, as such, do not qualify for importation under tariff item No. 9802.00.00.

### Purpose of Importation

2. Conveyances imported temporarily under the Regulations are admissible for personal transportation only from the point of arrival to a specified destination in Canada and return within 30 days, when the purpose of importation is to transport personally owned goods into or out of Canada.

3. Similarly, border services officers may permit importation in instances where a resident is required, due to unforeseen circumstances or emergency reasons, to utilize a conveyance on which duties have not been paid for personal transportation to reach a specified destination in Canada and return.

4. Under no circumstances are conveyances admissible under these Regulations for touring purposes or for other leisure activities in Canada, nor is any local use permitted (e.g., point to point movement in Canada).

5. Border services officers will classify a conveyance under tariff item No. 9802.00.00 and grant free importation only when satisfied that the applicable terms and conditions have been met.

### Documentation and Security

6. [Form E29B, Temporary Admission Permit](#), will be issued at the time of arrival, in respect of the conveyance, whether or not a security deposit is deemed necessary. The need for the posting of a refundable security deposit will be determined by the CBSA at the time of importation and such amount will, in no case, exceed the amount of duty and taxes otherwise payable on the conveyance.

### Time Limit and Storage

7. Conveyances imported temporarily under the provisions of tariff item No. 9802.00.00 must be exported from Canada within the time limit specified. Storage of such conveyances in Canada is not permitted.

### Form E29B Issue Time Limit

8. Form E29B may be issued for up to one year in respect of commuter vehicles, provided the duration of the stay for a trip in Canada does not exceed the maximum time limit of 30 days.

### Commercial Samples and Deliveries of Goods

9. While commuters are permitted to operate a conveyance under these Regulations for the purpose of visiting clients in Canada in connection with their employment, at no time may such a conveyance be used for the carriage of passengers or goods for hire or reward in Canada. Commercial samples, as described in [Memorandum D8-1-2, International Events and Convention Services Program \(IECSP\)](#), may be carried in Canada provided such items are representative samples and are not themselves to be offered for sale. Conveyances imported under these Regulations may not be used to make deliveries of goods to clients in Canada.

## Temporary Importation of United States (U.S.)-Based Rental Vehicles (tariff item No. 9993.00.00)

10. Residents of Canada may temporarily import a U.S.-based rental vehicle for non-commercial purposes, under tariff item No. 9993.00.00.

11. Goods and Services Tax (GST)/Harmonized Sales Tax (HST) may apply depending on how long the resident has been absent from Canada:

- (a) After an absence of 48 hours or more, full relief of GST/HST for a period of up to 30 days ([Non-Taxable Imported Goods \(GST/HST\) Regulations](#), subsection 3(m));
- (b) After an absence of less than 48 hours, GST/HST will be calculated on a weekly basis based on the fixed value of the qualifying vehicle for a period of up to 30 days ([Value of Imported Goods \(GST/HST\) Regulations, section 15](#)).

12. There are three classes of qualifying vehicles, each with a fixed value for GST/HST calculation as determined pursuant to the [Value of Imported Goods \(GST/HST\) Regulations](#):

- (i) \$200 for cars, motorcycles and ATV;
- (ii) \$300 for pickup trucks, sport utility vehicles (SUV), , vans, , minivans, camping trailers, fifth wheel trailers and trucks up to 10 tonnes or similar vehicles; and
- (iii) \$1,000 for recreational vehicles, such as motorhomes or similar vehicle.

13. For each week the vehicle remains in Canada, residents will have to pay GST/HST based on the fixed value established for each type of qualifying vehicle. This amount is not prorated. For example, if the vehicle remains in Canada for 3 days, this is considered one week, and 8 days is considered two weeks.

**Note:** For the purposes of the GST/HST, “qualifying vehicle” is defined in section 2 of the [Non-Taxable Imported Goods \(GST/HST\) Regulations](#).

14. Where GST/HST applies on these rental vehicles, the GST/HST rate applicable will be that of the province/territory where the vehicle enters Canada, whether or not the importer is a resident of that province/territory.

15. This reduced tax treatment will apply only to U.S.-based rental vehicles temporarily imported for a period not exceeding 30 days. This applies for non-commercial purposes only.

**Note:** The Green Levy and the automobile air conditioner tax are fully relieved for all foreign-based rental vehicles temporarily imported by Canadian residents for a period of up to 30 days. Refer to section 23 and Schedule I of the *Excise Tax Act*.

**Note:** Temporarily imported foreign based rental snowmobiles and golf carts are not included in the definition of a qualifying vehicle and do not receive any GST/HST relief.

**Note:** Transport Canada’s [Motor Vehicles Safety Act](#) authorizes the temporary importation of a foreign based rental vehicle by residents of Canada for non-commercial purposes solely from the U.S. For additional information, refer to section 7 of the *Motor Vehicles Safety Act* and [Memorandum D19-12-1, Import Vehicles](#).

**Note to border services officers:** For information on processing the temporary importation by Canadian residents of foreign-based rental vehicles, please refer to the People Processing Manual, Part 6, Chapter 4, Appendix A.

### Penalty Information

16. A false declaration or failure to comply with the terms and conditions of importation under tariff item Nos. 9802.00.00 or 9993.00.00 or the related regulations may result in the assessment of duties and taxes, penalties and/or seizure action.

## Additional Information

17. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time / except holidays). TTY is also available within Canada: **1-866-335-3237**.

<b>References</b>	
<b>Issuing Office</b>	Program and Policy Management Division Traveller Programs Directorate Programs Branch
<b>Headquarters File</b>	H.S. 9802-0 H.S. 9802.00.00
<b>Legislative References</b>	<a href="#"><i>Customs Tariff</i></a> , tariff item Nos. 9802.00.00 and 9993.00.00 <a href="#"><i>Temporary Importation of Conveyances by Residents of Canada Regulations</i></a> <a href="#"><i>Excise Tax Act</i></a> <a href="#"><i>Non-Taxable Imported Goods (GST/HST) Regulations</i></a> <a href="#"><i>Value of Imported Goods (GST/HST) Regulations</i></a>
<b>Other References</b>	<a href="#"><u>D8-1-2</u></a>
<b>Superseded Memorandum D</b>	D2-4-1, June 20, 2012