



Ottawa, June 16, 2011

# CUSTOMS NOTICE 11-005

## Mandatory Harmonized System (HS) Codes at Time of Interim Accounting

1. This notice is to announce to importers, customs brokers and service providers the phased-in timeframe to increase the number of lines requiring a 10-digit HS code at time of interim accounting (Pre-Arrival Release System (PARS) and Release on Minimum Documentation (RMD) release requests) from five lines to all lines.

2. Memorandum D17-1-4 paragraph 46(b)(8)(ii) outlines the current requirement to provide a minimum of five HS codes at time of interim accounting. All lines will eventually require the 10-digit HS Code at time of release. Memorandum D17-1-4 paragraph 46(b)(8)(ii) will no longer apply when all lines are required.

3. Analysis conducted by the Canada Border Services Agency (CBSA) indicates 87% of interim accounting release requests submitted electronically to the CBSA contain between one and five invoice line items. Approximately 97% of all interim accounting release requests transmitted electronically contain a 10-digit HS Code for each invoice line.

4. The requirement to provide the 10-digit HS Code will be implemented in a phased-in approach as set out in the chart below:

Timeframe for Implementation of HS Code Requirements	Number of HS Codes Required at Time of Interim Accounting (PARS/RMD):
September 1, 2011	Minimum of 10 HS Codes
February 1, 2012	Minimum of 20 HS Codes
June 1, 2012	Minimum of 30 HS Codes
January 1, 2013	HS Code for all lines up to 999 lines (or CBSA system capacity)

5. Effective September 1, 2011, Low Value Shipments (LVS) valued at \$1,600 or less will be subject to the same requirement for provision of the 10-digit HS Code as High Value Shipments (HVS) in accordance with the timeframes shown in the chart above.

6. The requirement to provide the 10-digit HS Code for LVS shipments is not applicable to LVS shipments imported through the Courier/LVS Program.

7. Re-capping rules as specified in section 4.13 of the ACROSS Participants Requirement's Document will continue to apply for Appraisal Quality (AQ) to follow release requests.

8. Custom Self Assessment (CSA) importers using PARS or RMD release options will continue to be exempt from providing HS Codes at time of release unless subject to Other Government Departments (OGD) requirements.

9. Although approximately 97% of all interim accounting releases transmitted electronically contain the 10-digit HS Code for every line, the CBSA recognizes there may be rare instances where the importer/broker may be unable to determine the 10-digit HS Code for each commodity.

10. The CBSA, in collaboration with external trade partners, has identified an interim solution to assist importers and customs brokers to comply with the requirements specified herein and to prepare for the pre-arrival importer data requirements that will require mandatory HS Code for all line items that are different at the six digit level under the eManifest initiative.

11. This interim solution will temporarily allow importers and customs brokers to self-identify one or more HS Code(s) if unknown at time of interim accounting by providing a "Zero-Class Code".

12. Detailed information and guidelines pertaining to the acceptable use and criteria of the "Zero-Class Code" will be communicated to external clients in the near future.

13. The CBSA encourages importers and customs brokers to utilize the temporary implementation of the "Zero-Class Code" as an opportunity to review current internal processes/product lists/databases and identify potential gaps that would restrict the provision of an accurate HS Code and future potential non-compliance of information requirements.

14. Release requests that do not provide the minimum number of HS Codes in accordance with the chart above will not be accepted for processing and will be rejected back to the importer/broker.

15. The implementation of mandatory HS Codes will align future pre-arrival importer requirements with eManifest.

16. Provision of a 10-digit HS Code in accordance with the timeframes above is applicable to both paper and Electronic Data Interchange (EDI) interim accounting release requests.

17. Release requests where goods are regulated by an OGD (i.e., Service Option 463 and 471) will continue to require provision of a 10-digit HS Code for every line item at time of interim accounting/release.

18. For information concerning HS Codes, refer to the Memorandum D17-1-4 on the CBSA Web site.

19. Inquiries related to this notice may be directed to the Import Programs Unit email address: [release-mainlevee@cbsa-asfc.gc.ca](mailto:release-mainlevee@cbsa-asfc.gc.ca)

