



Ottawa, May 1, 2015

# Customs Notice 15-015

## Clarification of Requirements for Non-resident Vessels in Canada for Storage or Repair

1. This customs notice replaces Customs Notice 14-026 dated October 14, 2014. It contains additional information and clarification concerning the posting of security deposits.
2. Tariff item No. 9993.00.00 provides customs duty relief for most goods which are temporarily imported into Canada for a variety of uses and which meet the conditions specified in the legislation. Vessels may only be imported under tariff item No. 9993.00.00 when they are imported for specific reasons, including repair, overhaul, alteration, adjustment and storage. For vessels which are temporarily imported for reasons other than those listed in the tariff item, please see the applicable memoranda, such as [D2-1-1, Temporary Importation of Baggage and Conveyances by Non-residents](#); [D2-1-2, Foreign Scientific or Exploratory Expeditions in Canada](#); [D2-2-3, Importation of Goods by Seasonal Residents](#); [D3-1-5, International Commercial Transportation](#); [D3-5-1, Commercial Vessels in International Service](#); or [D3-5-7, Temporary Importation of Vessels](#).
3. Vessels eligible for customs duty relief under tariff item No. 9993.00.00 may also be eligible for goods and services tax (GST) relief. GST relief is provided under the [Non-taxable Imported Goods \(GST/HST\) Regulations](#) for goods being repaired or overhauled, and under the [Vessel Duties Reduction or Removal Regulations](#) for vessels in storage.

### Vessels which enter Canada under tariff item No. 9803.00.00

4. Customs duty and tax relief may also be extended to vessels that are temporarily imported by non-residents under tariff item No. 9803.00.00 and are subsequently placed in a repair or storage facility over the non-boating season or for an extended period.
5. Vessels which are imported under tariff item No. 9803.00.00 and are kept in Canada for repair or storage under tariff item No. 9993.00.00 at the end of the boating season must be exported after the repair is complete or the vessel is removed from storage. These vessels will also be required to be documented on a Form [E29B, Temporary Admission Permit](#) and a refundable security deposit may be required at the time of diversion. For the purposes of the vessels at issue, “exported” means that the vessel is removed from Canada to outside of Canadian waters (beyond the 12 mile limit in the case of oceans or past the international boundary on Canada/United States shared waterways) or to outside of Canadian territory if trailering the vessel. All applicable issued documents (e.g., Form E29Bs) must also be acquitted or closed with the Canada Border Services Agency (CBSA) prior to export.
6. See the table below for an example of dates and eligible uses.

Date	Purpose for importation	Relief provision	Expiry date
May 25, 2015	Non-resident’s use	Tariff item No. 9803.00.00	September 30, 2015
September 25, 2015	Diverted to repair/storage	Tariff item No. 9993.00.00	May 25, 2016
May 25, 2016	Boat must be exported	none	N/A

7. If the repair cannot be completed or the vessel removed from storage by the expiry date on the Form [E29B](#), the importer, or their agent, must contact the applicable [regional CBSA office](#) to request an extension. If the new expiry date will remain within 18 months of the date the vessel initially entered

Canada, the request for an extension may be made at the nearest CBSA office. If the request will take the expiry date beyond 18 months, the application for an extension must be made in writing to the nearest regional CBSA office and must explain in detail why the importer finds it impracticable or impossible to export the goods. For further information regarding time limits and extensions under tariff item No. 9993.00.00 see the section “**Time Periods/Extensions**” in [Memorandum D8-1-1, Amendments to Temporary Importation \(Tariff Item No. 9993.00.00\) Regulations](#).

### **Vessels which enter Canada under tariff item No. 9993.00.00**

8. If a non-resident imports a vessel for repairs or storage, it must be exported after the repairs are finished or it is taken out of storage. If the repair cannot be completed or the vessel is removed from storage by the expiry date on the Form [E29B](#), the importer, or agent, must contact the applicable [regional CBSA office](#) to request an extension. Once the repairs are complete or the vessel is removed from storage, it must be exported and it cannot be used for leisure purposes by the non-resident under tariff item No. 9803.00.00. For example, if a vessel is imported for repairs (e.g., painting) on May 18, 2015 and the repairs are completed two weeks later, on June 1, 2015, the non-resident must export the vessel and close the Form E29B. See the table below for an illustration of these dates and treatment.

<b>Date</b>	<b>Purpose for importation</b>	<b>Relief provision</b>	<b>Expiry date</b>
May 18, 2015	To be painted	Tariff item No. 9993.00.00	June 1, 2015
June 1, 2015	Boat must be exported	none	N/A

9. When vessels are stored in Canada they must be demobilized, that is removed from active service, and placed in a storage facility or area. Further, the vessel may not be used as a storage facility, as a temporary residence nor for any other purpose while it is in storage.

10. Non-residents’ temporarily imported vessels which are in Canada for storage or repair must be documented on a Form [E29B](#) and a refundable security deposit may be required. This applies both to vessels which are initially imported for storage or repair services, as well as those vessels which enter Canada under tariff item No. 9803.00.00 and are later diverted for storage or repair.

11. Regarding security deposits for these vessels:

(a) A security deposit will not be required for those vessels imported for repair or storage or remaining in Canada for repair or storage which qualify as originating under the North American Free Trade Agreement, the Canada-Chile Free Trade Agreement, the Canada-Costa Rica Free Trade Agreement or other agreements or countries as may be specified in the [Temporary Importation \(Tariff Item No. 9993.00.00\) Regulations](#) and a Certificate of Origin or other supporting documentation is provided as required. Additional information is available in memoranda [D11-4-2, Proof of Origin](#), [D11-4-13, Rules of Origin for Casual Goods Regulations](#), and [D11-4-14, Certification of Origin](#);

(b) A security deposit will not be required for those vessels where the importer (or agent if the Form E29B was submitted by an agent) does not have a history of non-compliance;

(c) For vessels other than those described in paragraph (a) and where there is a history of non-compliance in the past two years by either the importer or the agent submitting the Form E29B to the CBSA, a security deposit in the full amount of the duties and taxes that would normally be payable on the vessel if it were imported to Canada will be required. When the vessel is exported and the Form E29B is acquitted, a refund of cash and cash-type deposits will be processed;

(d) For vessels other than those described in paragraphs (a) or (c) and where the importer or agent who is submitting the Form E29B has been compliant for two years from the last date of non-compliance, a security deposit of 50% of the duties and taxes that would normally be payable on the

vessel if it were imported to Canada will be required. The importer or agent at issue must provide such compliance documentation if requested. When the vessel is exported and the Form E29B is acquitted, a refund of cash and cash-type deposits will be processed; and

(e) For vessels other than those described in paragraphs (a), (c) or (d) and where the importer or agent who is submitting the Form E29B has been compliant for three years from the last date of non-compliance, no security deposit will be required for the vessel at issue. The importer or agent at issue must provide such compliance documentation if requested.

12. For the purposes of determining the status of compliance for paragraph 11 above, non-compliance includes, but is not limited to:

(a) failure to export the vessel after it was in Canada for repair or alteration under tariff item No. 9993.00.00;

(b) failure to either acquit a Form [E29B](#) by the expiry date or apply for an extension before the expiry date;

(c) allowing or performing procedures or uses not eligible for vessels under tariff item No. 9993.00.00, including but not limited to:

(i) advertising the vessel for sale, lease or rent,

(ii) selling, leasing or renting the vessel,

(iii) residing on a vessel which has been imported or diverted to storage,

(iv) any commercial use of the vessel while it is in storage,

(v) any qualifying use or diversion of the vessel without notifying the CBSA of the change, or

(vi) any use of the vessel not specified in tariff item No. 9993.00.00 and not eligible for full GST relief under a condition in Appendix A of [Memorandum D8-1-1, Amendments to Temporary Importation \(Tariff Item No. 9993.00.00\) Regulations](#);

(d) providing false or incorrect information on the Form E29B; or

(e) failure to obtain and provide supporting documentation such as proof of storage or repair or contract for such.

13. Whether the vessels enter Canada for repair or storage or are subsequently diverted to storage or repair, Field 26 of the Form [E29B](#), “CBSA office stamp – Timbre du bureau de l’ASFC”, must indicate the date the vessel initially entered Canada and not just the date the Form E29B was completed. Further information regarding the Form E29B is available in [Memorandum D8-1-4, Form E29B, Temporary Admission Permit](#).

### **Additional information**

14 For additional information regarding the temporary importation of a vessel for leisure use by visitors to Canada see [Memorandum D2-1-1, Temporary Importation of Baggage and Conveyances by Non-residents](#) and [Memorandum D2-2-3, Importation of Goods by Seasonal Residents](#).

15. For additional information regarding the temporary importation of a vessel to Canada for repair or storage see [Memorandum D8-1-1, Amendments to Temporary Importation \(Tariff Item No. 9993.00.00\) Regulations](#).

16. For additional information regarding non-residents' vessels being repaired or stored in Canada, including additional information regarding repair and storage time limits and relief, see [Temporary Importation and Retention of Foreign Vessels in Canada by Non-residents](#) and [Information for Marine Service Providers](#).

17. For additional information regarding Form [E29B](#), see [Memorandum D8-1-4, Form E29B, Temporary Admission Permit](#).

18. 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**.