



# Memorandum D17-1-13

Ottawa, January 6, 2016

## Interim Accounting (Provisional Documentation)

### In Brief

This memorandum has been revised to:

- (a) outline specific information to be provided to the Canada Border Services Agency (CBSA) when requesting authorization for use of the Master Provisional Entry process; and,
- (b) reflect a change in the name of the issuing office.

This memorandum outlines and explains the policies and procedures relating to the release of and accounting for goods qualifying for provisional entry into Canada.

### Legislation

[Accounting for Imported Goods and Payment of Duties Regulations](#)

### Guidelines and General Information

1. In certain situations, the importer/owner or broker cannot establish a final value for duty of goods at the time of importation. In such cases, goods may be released under the interim accounting provisions of subsection 32(2) of the [Customs Act](#) (the Act) by obtaining authorization from CBSA Trade Operations, in accordance with sections 14 and 15 of the [Accounting for Imported Goods and Payment of Duties Regulations](#).
2. The following goods may be released on an interim accounting basis:
  - (a) Plans, drawings, and blueprints imported for use in a construction project or facility installations in Canada;
  - (b) Large installations of systems, machinery, and equipment imported for use in a thing being installed in Canada;
  - (c) Military equipment imported by the Department of National Defence; and,
  - (d) Material, components, and parts imported by the Department of National Defence for use in the repair, maintenance, modification, and testing of such equipment.

**Note:** For an alternative method to provisional entry procedures for goods enumerated in subparagraph (a), see [Memorandum D13-11-2, Value for Duty of Certain Information-based Products](#) and [the Act](#), sections 48 to 53.
3. The importer/owner or broker will request authorization for interim accounting by submitting a written application to the CBSA Trade Operations office where the majority of shipments will be released. A written application is to consist of: a letter detailing the project, the project timeframe (i.e., start/end dates), specific location, a complete copy of the accepted contract, the responsibilities of contracting parties, the ownership of the project, a complete component breakdown of the goods being imported, as well as the named importer on the [Form B3-3, Canada Customs Coding Form](#). The CBSA Trade Operations office may request further information if required.

4. Before giving approval, CBSA Trade Operations will review the information to ensure that conditions for tariff classification, origin and taxable status, are met. If all conditions are met, a letter of authorization will be issued, granting the use of the master provisional entry for the timeframe specified.
5. Once authorized, the importer/owner or broker must present a master provisional accounting document, [Form B3-3](#), to the CBSA before or upon arrival of the first shipment into Canada. This document must be supported by a copy of the letter of authorization as well as information regarding the total value of the goods as detailed in [Memorandum D17-1-4, Release of Commercial Goods](#).
6. In accordance with section 12 of the [Accounting for Imported Goods and Payment of Duties Regulations](#), the importer/owner or broker must give a security deposit for the amount of duties payable, either in cash or with a certified cheque, when applicable.
7. A copy of the provisional [Form B3-3](#) is kept by the responsible CBSA Trade Operations office pending the determination of the value for duty. The other copies will be processed by the CBSA in the usual manner.
8. If importers/owners intend to claim the United States Tariff, the Mexico Tariff, the Mexico-United States Tariff, the Canada-Israel Agreement Tariff, or the Chile Tariff for the goods, they must indicate it in their initial submission to the CBSA Trade Operations requesting the authorization to use these provisional documentation procedures. They should then support the request with any documentation available at that time such as a NAFTA Certificate of Origin and sourcing information.
9. If, after making enquiries, the CBSA Trade Operations cannot reasonably determine that all the goods meet the rules of origin and conditions to qualify for use of the United States Tariff, the Mexico Tariff, the Mexico-United States Tariff, the Canada-Israel Agreement Tariff, or the Chile Tariff, they will request additional security to cover duties that would be payable under the Most-Favoured Nation (MFN) tariff treatment or other applicable tariff treatment.
10. If the use of the United States Tariff, the Mexico Tariff, the Mexico-United States Tariff, the Canada-Israel Agreement Tariff, or the Chile Tariff is acceptable and is claimed on the provisional [Form B3-3](#), the importer/owner or broker must submit a valid Certificate of Origin for review by the CBSA. The origin of the goods will be reviewed again at the closing date and adjusted if necessary.
11. All shipments pertaining to a master provisional accounting document must be transported by a carrier with a valid carrier code. As individual shipments are received, they are released on a Release on Minimum Documentation (RMD) as “value included” against the provisional [Form B3-3](#). These shipments are released without formal accounting; however, the CBSA controls the shipments through copies of the RMD package. After processing this package, the CBSA release office must forward it to the regional CBSA Trade Operations office holding the suspense file.
12. The importer/owner or broker is responsible for marking the transaction number of the provisional [Form B3-3](#) on the first page of the release package or lead sheet.
13. If an importer/owner or broker presents, in error, a final accounting document and pays the duties on a shipment for which provisional procedures have been established, a refund claim for duplicate payment may be accepted, under paragraph 74(1)(d) of [the Act](#), submitted on [Form B2, Canada Customs – Adjustment Request](#). Any rebate of GST must be filed according to the directives in [Memorandum D17-2-1, Coding of Adjustment Request Forms](#).
14. Where goods have been released under RMD procedures, and the importer/owner or broker has used, in error, a transaction number other than the number applied to the provisional [Form B3-3](#), the incorrect transaction number may be deleted as long as a final accounting document, Form B3 type AB, has not been presented. Details can be found in [Memorandum D17-1-4, Release of Commercial Goods](#).
15. The regional CBSA Trade Operations will monitor the suspense file on a quarterly basis to verify importations. Once the closing date has been reached and the project completed, the provisional [Form B3-3](#) documents are amended on [Form B2](#) for additional assessment or for refund, as applicable. Such refunds do not include overpayments of GST. Any rebate of GST must be filed according to the directives found in [Memorandum D17-2-1, Coding of Adjustment Request Forms](#).

16. Paragraph 74(1)(c.1) of [the Act](#) stipulates a one-year time frame for NAFTA and CCFTA goods. For more information on refunds, please refer to [Memorandum D6-2-3, Refund of Duties](#).

### 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>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	7600-7
<b>Legislative References</b>	<a href="#">Customs Act</a> <a href="#">Accounting for Imported Goods and Payment of Duties Regulations</a>
<b>Other References</b>	<a href="#">D6-2-3</a> , <a href="#">D13-11-2</a> , <a href="#">D17-1-4</a> , <a href="#">D17-2-1</a>
<b>Superseded Memorandum D</b>	D17-1-13 dated August 27, 2008; and Interim D17-1-13 dated March 25, 2010