



## Memorandum D8-3-2

Ottawa, January 8, 2016

### **Tariff Item 9831.00.00 and the *Exposed and Processed Film and Recorded Video Tape Remission Order***

#### **In Brief**

The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.

This memorandum outlines the conditions under which exposed and processed film and recorded video tape qualify for duty-free entry and for relief from the goods and services tax/harmonized sales tax (GST/HST). Tariff item 9831.00.00 provides, under certain conditions, for the duty-free entry of exposed and processed film and recorded video tape. The [\*Exposed and Processed Film and Recorded Video Tape Remission Order\*](#) has been amended and continues to provide GST/HST and excise duty relief for these goods.

#### **Legislation**

[\*Customs Tariff\*](#) – Tariff item 9831.00.00

[\*Exposed and Processed Film and Recorded Video Tape Remission Order\*](#)

### **Guidelines and General Information**

#### **Conditions of Tariff Item 9831.00.00**

1. Tariff item 9831.00.00 is divided between non-commercial and commercial exposed and processed film and recorded video tape.

##### **Non-commercial**

2. Non-commercial exposed and processed film and recorded video tapes, and one set of prints from the film, qualify for duty-free entry under tariff item 9831.00.00, as long as they are imported by a resident solely for the personal use of the resident and not for any business or occupational purpose.
3. The film must be exposed and processed while the resident is abroad.
4. The video tape must be recorded while the resident is abroad. In addition, the film, the one set of prints, or the video tape must be in the resident's possession when the resident returns to Canada or form part of the resident's baggage.

##### **Commercial**

5. Commercial film qualifies under tariff item 9831.00.00 when exposed abroad by a Canadian resident using Canadian equipment, if it is not developed or processed except to test the quality of the exposed film. Commercial video tape also qualifies when recorded by a Canadian resident using Canadian equipment.
6. The requirement for a Canadian resident to expose the film or record the video tape is waived where this conflicts with the laws of the country in which the exposing of the film or the recording of the video tape is carried

out, or where it is impracticable to employ a resident in exposing the film or recording the video tape and the person so employed is either a technical specialist or the employment is of a casual nature.

7. The requirement to use Canadian equipment is waived where the equipment used is a replacement for Canadian equipment that has become defective during the exposing of the film or the recording of the video tape; or the equipment used is an aircraft, vessel, or a vehicle rented in the country in which the exposing of the film or the recording of the video tape is carried out.

8. The Canada Border Services Agency (CBSA) realizes that the processing of commercial film outside of Canada may be required to obtain “rushes” as a result of extenuating circumstances such as filming in isolated areas. However, unless the Department is satisfied that it would have been impracticable to have the work done in Canada, processed commercial film will not qualify for duty-free entry under tariff item 9831.00.00, or for a remission of the GST/HST under the [Exposed and Processed Film and Recorded Video Tape Remission Order](#).

## **Goods and Services Tax/Harmonized Sales Tax (GST/HST)**

9. To qualify for GST/HST relief under the [Exposed and Processed Film and Recorded Video Tape Remission Order](#), films and video tapes must meet the same conditions as those identified in tariff item 9831.00.00.

## **Documentation**

10. The number 76-1314 must appear in the “Special Authority” field of all customs documents to claim a remission of the GST/HST in accordance with the Remission Order.

11. Importers of commercial film and video tape must also provide one of the following to obtain GST/HST relief:

- (a) a copy of Form [B13A, Export Declaration](#), completed in respect of the film or video tape certified by an officer at the customs office where the goods were exported from Canada and bearing the notation “not subject to drawback” or “non admissible au drawback”;
- (b) accounting documents authenticated by an officer employed in the administration or enforcement of customs in the country to which the film or video tape was exported; or
- (c) a copy of the shipping documents confirming the exportation of the film or video tape.

12. Importers of commercial film or video tape shall also be able to provide proof that the work done abroad was done by Canadian residents using Canadian equipment, or otherwise complies with the conditions of tariff item 9831.00.00 and the Remission Order. The statement (see the Appendix), signed by a responsible individual involved with the importation who can provide the necessary proof, must be provided at the time of accounting.

13. The statement may be handwritten, stamped, or typed on a commercial contract or invoice covering the goods.

## **Corrections and Re-determinations**

14. In accordance with subsection 32.2(2) of the [Customs Act](#) (the Act), the importer is obligated to make a correction to declarations of tariff classification, value for duty, and origin within 90 days after the importer has reason to believe that the original declaration is incorrect. For example, if the importer realizes that commercial film imported under tariff item 9831.00.00 did not qualify because a drawback of customs duties and taxes had been claimed for the film, the importer is obligated to adjust the accounting declaration for the goods accordingly.

15. To correct a declaration, Form [B2, Canada Customs – Adjustment Request](#), should be submitted to the appropriate regional CBSA office and any customs duties and taxes owing paid. A correction shall be treated for the purposes of [the Act](#) as if it were a re-determination under paragraph 59(1)(a) of [the Act](#).

16. The obligation to make a correction in respect of imported goods ends four years after the goods are accounted for under subsection 32(1), (3), or (5) of [the Act](#).

17. For more information on the filing of corrections, refer to [Memorandum D11-6-6, “Reason to Believe” and Self-adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#).

## Failure to Comply

18. If the goods no longer qualify under tariff item 9831.00.00, they will also fail to comply with the terms of the [Exposed and Processed Film and Recorded Video Tape Remission Order](#). Under subsection 118(1) of the [Customs Tariff](#), within 90 days after the date of failure to comply, the importer must report the failure to comply to a CBSA officer and pay an amount equal to the amount of duties, in this case the GST/HST, that were relieved. When filing Form [B2](#), the importer must ensure that the “Special Authority” field is left blank.

19. Importers can submit Form [B2](#) under a dual authority, in this case subsection 32.2(2) of [the Act](#) and subsection 118(1) of the [Customs Tariff](#).

## Audit, Examination, or Verification

20. If as a result of an audit, examination, or verification by the CBSA, goods are found to have been declared incorrectly, the customs duties payable on the goods will be subject to a re-determination or further re-determination under paragraph 59(1)(a) or (b) of [the Act](#), whichever is applicable.

21. Under subsection 118(1) of the [Customs Tariff](#), where the importer has failed to comply with the terms of the Remission Order, an amount equal to the duties relieved will be owing. In this case, the GST/HST and any other excise taxes normally assessed against exposed and processed film and recorded video tape will be owing.

## Interest and Penalties

22. In accordance with subsection 33.4(1) of [the Act](#), the importer is liable to pay interest against any outstanding customs duty amount owed to the CBSA, from the day following the original date of accounting until the amount is paid in full. The interest will be calculated at the specified rate beginning on the first day after the date the importer became liable to pay the customs duties. For example, where it is determined that the goods were imported incorrectly under tariff item 9831.00.00 for the reason mentioned in paragraph 10, the importer is obligated to pay interest on the customs duty amount owing from the day following the original date of release until the amount owing is paid.

23. Importers who have “reason to believe” and who do not file corrections within the 90-day period as required under section 32.2 of [the Act](#) will be liable to penalties under the Administrative Monetary Penalty System (AMPS).

24. More information on penalties is available in [Memorandum D22-1-1, Administrative Monetary Penalty System](#).

25. More information on self-adjustments is available in [Memorandum D11-6-6, “Reason to Believe” and Self-adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#).

26. More information on the interest and penalty provisions of [the Act](#) and [Customs Tariff](#) is available in [Memorandum D11-6-5, Interest and Penalty Provisions: Determinations/Re-determinations, Appraisals/Re-appraisals, and Duty Relief](#).

## Additional Information

27. 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**.

28. For certainty regarding the tariff classification of a product, importers may request an advance ruling for tariff classification. Details on how to make such a request are found in [Memorandum D11-11-3, Advance Rulings for Tariff Classification](#).

## Appendix

### Statement of Compliance for Commercial Importations of Film or Video Tape Under Tariff Item 9831.00.00

I certify that the film and/or video tape referenced in this invoice/sales contract are being imported in compliance with the conditions specified for these goods in tariff item 9831.00.00 of the Schedule to the [Customs Tariff](#) and the [Exposed and Processed Film and Recorded Video Tape Remission Order](#).

Name:

Title:

Company:

Status:

Telephone:

Facsimile:

References	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	6564-10
<b>Legislative References</b>	<a href="#">Customs Act</a> <a href="#">Customs Tariff</a> <a href="#">Excise Tax Act</a>
<b>Other References</b>	<a href="#">D11-6-5</a> , <a href="#">D11-6-6</a> , <a href="#">D22-1-1</a> <a href="#">Exposed and Processed Film and Recorded Video Tape Remission Order</a>
<b>Superseded Memorandum D</b>	D8-3-2 dated March 29, 1999