



# Memorandum D9-1-11

Ottawa, June 14, 2016

## Importation of Used or Second-hand Motor Vehicles

### In Brief

This memorandum has been updated to amend inaccurate information relating to the determination of the age of a vehicle and to the application of excise taxes on air conditioners in vehicles that are being imported for parts only.

This memorandum provides information regarding exemptions to the prohibitions of tariff item 9897.00.00 as it relates to the importation of used or second-hand motor vehicles manufactured prior to the calendar year in which importation into Canada is sought to be made, but that does not exceed 15 years in age.

Exemption from the import restriction that relates to tariff item 9897.00.00 does not exempt a vehicle from other import restrictions that may apply. For example, Transport Canada and Environment Canada have vehicle standards and emissions requirements that must also be met (refer to [Memorandum D19-12-1, Importation of Vehicles](#) for further information about all aspect of vehicle admissibility). The onus rests with the importer to determine the overall compliance status of the vehicle prior to importing it.

### Legislation

[Customs Tariff](#) – tariff item 9897.00.00

[Used or Second-hand Motor Vehicles Regulations](#)

## Guidelines and General Information

### Tariff Item 9897.00.00

1. Tariff item 9897.00.00 of the [Customs Tariff](#) **prohibits** the importation of used and second-hand motor vehicles of all kinds, manufactured prior to the calendar year in which importation into Canada is sought to be made unless the vehicle is:

- (a) Imported under tariff items 9801.10.00, 9807.00.00, 9808.00.00, 9809.00.00 or 9810.00.00.
- (b) Imported by a settler on the settler's first arrival but not entitled to be classified under tariff item 9807.00.00.
- (c) Forfeited or confiscated for any offence under the customs laws, or the laws of any province of Canada.
- (d) Left by bequest.
- (e) Imported from the United States (US).

#### Notes:

To be considered as imported from the US, a motor vehicle must have been shipped to Canada directly from the US and, prior to its entry into Canada, the vehicle must have been entered into the trade or commerce of the US and be considered admissible for importation according to Transport Canada guidelines (refer to [Memorandum D19-12-1, Importation of Vehicles](#) for further information about all aspect of vehicle admissibility).

Acceptable evidence to substantiate that the vehicle had entered into the trade or commerce of the US is: (a) a copy of the US customs accounting document respecting the vehicle's entry for consumption into the US, or (b) a copy of the US registration of the vehicle.

Motor vehicles imported into Canada from a third country via the US shall not be considered to have been imported from the US unless they have been into the trade or commerce of the US.

Motor vehicles delivered to Canada from a foreign trade zone or other customs-bonded facility in the US, without having first having been entered for consumption in the US, shall not be considered to have been imported from the US.

(f) Entitled to the benefit of the United States Tariff, the Mexico Tariff or the Mexico-United States Tariff and imported from Mexico.

2. When in doubt as to the applicability of tariff item 9897.00.00, it is necessary, before release will be granted to check with the [Border Information Service \(BIS\)](#) providing full particulars concerning the vehicle, including an illustration (if available), and complete information as to its proposed usage immediately.

### **Exclusions From the Application of Tariff Item 9897.00.00**

3. As per the [Used or Second-hand Motor Vehicles Regulations](#), the following motor vehicles are excluded from the application of tariff item 9897.00.00:

- (a) Requests to import a vehicle that has machinery or an apparatus permanently mounted that is being imported for:
- (i) the use in exploratory or discovery work in connection with oil or natural gas wells or for the development, maintenance, testing, depletion or production of a well up to and including the wellhead assembly, or
  - (ii) that is used to drill for water.

**Note:** To ascertain if there are similarly-equipped vehicles in Canada, please send a request to:

Manager, Trade Services  
Victory Building  
269 Main Street, Room 100  
Winnipeg MB R3C 1B3

- (b) Vehicles that are received by a resident of Canada as a gift from a relative or friend who resides outside of Canada require the following declaration:

I do solemnly declare that the motor vehicle described in this accounting document is a gift to me, for my own personal use and not for any commercial purpose, by

(Name)

(Address)

And that no money or valuable consideration of any kind has been or will be given by me or by any other person on my behalf for the said motor vehicle.

(Signature)

- (c) Vehicles that are imported by a non-resident for permanent use by the non-resident at a summer or vacation residence occupied by the non-resident in Canada.
- (d) Vehicles that are imported by a citizen of another country who is not a resident of Canada and who is employed in a defence establishment of the government of that country in Canada or who is on official military service in Canada.

#### **Notes:**

Foreign government surplus vehicles, particularly four-wheel and six-wheel drive trucks, although manufactured before January 1 of the year in which importation is sought to be made, may appear to be in new and unused condition with very little mileage accumulated from their place of manufacture to their military

vehicle depot or dump and to the premises of a surplus dealer. While vehicles of this class may reasonably be regarded as new and unused, they are, nonetheless, second-hand because of having passed from the manufacturer's or dealer's hands into the possession of the US Government, and, in the majority of cases, into the hands of war-surplus dealers before being acquired by Canadians for importation into Canada.

It should be carefully noted that new and unused motor vehicles, which are purchased from someone other than the manufacturer or a licensed motor vehicle dealer, are classed as second-hand and are also subject to tariff item 9897.00.00.

(e) Vehicles that are imported in accordance with the [\*Non-residents' Temporary Importation of Baggage and Conveyances Regulations\*](#).

(f) Vehicles that are imported by a contractor engaged in the construction and maintenance of a leased base established in the Province of Newfoundland by the Government of the US for use by the contractor in the construction and maintenance of those bases.

(g) Vehicles that are diesel-powered self-propelled dump trucks that are mounted on rubber-tired wheels or on rubber-tired wheels and half-tracks and has a rated capacity, by struck volume, of not less than 7.2 cubic metres and, by payload weight, of not less than 15 tonnes and was imported for off-highway use to carry minerals or other excavated materials at a mine, quarry, gravel or sand pit or at a construction site.

(h) Vehicles that are imported by a former resident of Canada returning to resume residence in Canada who:

(i) immediately before returning to Canada, had been a resident of another country for at least 12 consecutive months; or

(ii) has been continuously absent from Canada for at least six months and, during the period of continuous absence, owned the motor vehicle for at least six months; or

(iii) had emigrated from Canada or had been assigned to extended duty in another country and has been compelled to return to Canada on account of illness, unemployment, educational needs or on account of other personal reasons of a similar nature.

(i) Vehicles that are imported by a resident of Canada returning to Canada who:

(i) immediately before returning to Canada, had been a resident of another country for at least 12 consecutive months; or

(ii) has been continuously absent from Canada for at least six months and, during the period of continuous absence, owned the motor vehicle for at least six months; or

(iii) had emigrated from Canada or had been assigned to extended duty in another country and has been compelled to return to Canada on account of illness, unemployment, educational needs or on account of other personal reasons of a similar nature.

#### **Notes:**

Importations from the US of motor vehicles, built in Canada and entered into the commerce of the US under the provisions of the Auto Pact, are considered as US-used or second-hand motor vehicles. Consequently, the provisions for Canadian goods returned in the [\*Customs Tariff\*](#) are not applicable to these vehicles. Tariff item 9897.00.00 is applicable in these cases where the vehicles do not meet the age restrictions specified in the *Customs Tariff* or are not exempted by the [\*Used or Second-hand Motor Vehicles Regulations\*](#).

Seized motor vehicles, which originated in Canada or were once duty paid into Canada, and are subsequently purchased at auctions in the US, may be imported under tariff item 9813.11.11 or 9814.00.00, provided they are returned without having been advanced in value, improved in condition, or combined with other articles abroad. In these circumstances, the prohibition on used or second-hand motor vehicles will not be applied.

Used or second-hand vehicles imported into Canada directly from countries other than the US remain subject to prohibition at importation, except where exempted by the [\*Used or Second-hand Motor Vehicles Regulations\*](#) and where considered admissible for importation according to Transport Canada and Environment Canada guidelines.

The onus rests with the purchaser/importer to confirm the overall compliance status of any vehicle prior to importing it into Canada (refer to [Memorandum D19-12-1, Importation of Vehicles](#) for further information about all aspect of vehicle admissibility).

(j) Vehicles that are not less than 15 years old.

**Notes:**

For the purposes of Tariff 9897.00.00, the age of a motor vehicle is determined by the month and year during which work was completed on the vehicle at the place of main assembly. For example, a vehicle manufactured in May 2000 would be considered to be 15 years old on May 1, 2015. Information concerning the date of manufacture is usually noted on the vehicle's statement of compliance label affixed by the manufacturer. In the absence of a label, the importer will have to provide additional evidence to border services officers to demonstrate the age of the vehicle.

The "model year" of the vehicle is not a sufficient factor in determining the age of imported used or second-hand vehicles. For example, a "2000" vehicle manufactured in June 2000 would not be admissible until June 1, 2015, and a "2011" vehicle manufactured in September 2000 would not be admissible until September 1, 2015.

(k) Vehicles that are manufactured before January 1<sup>st</sup> of the model year of the vehicle but imported after that date and before December 31<sup>st</sup> of that year.

(l) Vehicles that are imported as a formula or sports racing car and may not be licensed for use on a public highway.

(m) Vehicles that are imported by a resident of Canada who acquired the vehicle outside of Canada as a replacement for another motor vehicle owned by the resident that was damaged, in an accident that occurred outside of Canada, to such an extent that repair was impractical.

(n) Vehicles that are vehicles in respect of which the [Foreign Aircraft Servicing Equipment Remission Order, 1992](#) applies upon its importation.

(o) Vehicles that are imported temporarily and in respect of which a temporary entry remission order, or any other that permits temporary entry for commercial purposes, applies upon its importation.

(p) Vehicles that are forfeited pursuant to the [Controlled Drugs and Substances Act](#).

(q) Vehicles that are imported temporarily under tariff item 9802.00.00 or 9803.00.00.

(r) Vehicles that are goods in respect of which sections 4 and 7 of the [Akwasasne Residents Remission Order](#) applies upon importation.

**Note:** The above noted vehicles must have been imported for personal use from the US by an Akwasasne resident and at the time of importation must be reported pursuant to section 12 of the [Customs Act](#) and accounted for pursuant to section 32 of the *Customs Act* at the Cornwall Canada Border Services Agency (CBSA) office. They must also comply with Canadian safety standards outlined in the [Motor Vehicle Safety Act](#) and the [Motor Vehicle Safety Regulations](#).

(s) Vehicles that are imported by the original purchaser and the vehicle is imported for

(i) the personal use of the original purchaser or the original purchaser's household,

(ii) the vehicle is not imported for use in a business, in a manufacturing establishment or as equipment to be used by a contractor, and

(iii) the bill of sale for the vehicle does not specify that the vehicle has been used as a demonstration vehicle or by a car rental company.

**Note:** The above is interpreted to mean a vehicle which was purchased new by its original owner but imported in a year which was subsequent to the year of purchase.

## Transport Canada and Vehicle Importation

4. The CBSA assists Transport Canada with the administration of the [Motor Vehicle Safety Act](#) and [Motor Vehicle Safety Regulations](#), which requires imported vehicles to comply with the Canada Motor Vehicle Safety Standards.
5. There are also specific admissibility conditions and border processing requirements for vehicles which are deemed to be at a total loss due to collision, fire, flood accident or any other occurrence requiring repair for which the cost is deemed unreasonable and the vehicle is being imported for parts only.
6. Many new and used vehicles purchased outside Canada do not comply with Transport Canada's import requirements and are considered inadmissible even though, in the case of used vehicles, the age-related prohibition may not apply.
7. For detailed information about all aspect of Transport Canada's vehicle importation requirements, refer to [Memorandum D19-12-1, Importation of Vehicles](#).
8. The onus rests with the purchaser/importer to confirm the overall compliance status of any vehicle prior to importing it into Canada. This also applies to vehicles imported to be dismantled for parts.

## Environment Canada and Vehicle Importation

9. On-road vehicles may be subject to the [On-Road Vehicle and Engine Emission Regulations](#) under the [Canadian Environmental Protection Act, 1999](#), administered by Environment Canada. For further information contact Environment Canada (refer to Additional Information section).
10. Off-road vehicles may be subject to the [Marine Spark-Ignition Engine, Vessel and Off-Road Recreational Vehicle Emission Regulations](#) under the [Canadian Environmental Protection Act, 1999](#), administered by Environment Canada. For further information contact Environment Canada (refer to Additional Information section).

## Tariff Determination and Duties and Taxes

11. Used or second-hand motor vehicles are subject to the payment of applicable customs duty, the goods and services tax, and other taxes imposed under the [Excise Tax Act](#).
12. The rate of duty applicable to used motor vehicles imported from the US will depend upon the origin of the vehicle. Vehicles of US origin will be subject to the US tariff rate. Vehicles which originated in other countries and which are not entitled to the benefit of the US tariff rate will be subject to the Most-Favoured-Nation Tariff rate when imported from the US.
13. All damaged used and second-hand motor vehicles, which are imported for parts, are to be classified under tariff item 8708.99.99.19 for the vehicles of heading 87.03, and 8708.99.99.99 for other vehicles as parts and accessories of a motor vehicle.
14. Motor vehicles imported for scrap metal (not vehicle parts), are to be classified under tariff item 7204.49.11 as waste and scrap iron or steel. Prior to importation, they must be rendered unusable as either a vehicle or parts by one of five processes outlined in the Explanatory Notes to the Harmonized Commodity Description and Coding System for heading 72.04.

## Additional Information

15. For additional information, on all aspects of Transport Canada's vehicle importation requirements, importers can contact:

Road Safety and Motor Vehicle  
Regulation Directorate  
Transport Canada  
Tower C, Place de Ville  
330 Sparks Street  
Ottawa, ON K1A 0N5

Telephone: 613-998-8616 (toll free) **1-800-333-0371**

Facsimile: 613- 998-8541

Email: [roadsafety@tc.gc.ca](mailto:roadsafety@tc.gc.ca)

16. For additional information on Environment Canada's importation requirements, importers can contact:

Environment Canada  
Inquiry Centre  
10 Wellington, 23<sup>rd</sup> Floor  
Gatineau, QC K1A 0H3

Telephone: 819-997-2800 (toll free in Canada only) **1-800-668-6767**

Facsimile: 819-994-1412

Teletypewriter: 819-994-0736

Email: [envirinfo@ec.gc.ca](mailto:envirinfo@ec.gc.ca)

17. For more information, within Canada you may access the CBSA's Border Information Service (BIS) free of charge by calling **1-800-461-9999**. From outside of Canada, you can access BIS by calling 204-983-3500 or 506-636-5064 (long distance charges will apply). TTY is also available within Canada: **1-866-335-3237**. To speak directly to an agent, please call during regular business hours from Monday to Friday (except holidays), 8:00 to 16:00 local time.

<b>References</b>	
<b>Issuing Office</b>	Commercial Programs Policy and Management Division Commercial Programs Directorate Programs Branch
<b>Headquarters File</b>	
<b>Legislative References</b>	<a href="#"><i>Customs Tariff</i></a> <a href="#"><i>Controlled Drugs and Substances Act</i></a> <a href="#"><i>Customs Act</i></a> <a href="#"><i>Motor Vehicle Safety Act</i></a> <a href="#"><i>Canadian Environmental Protection Act, 1999</i></a> <a href="#"><i>Excise Tax Act</i></a> <a href="#"><i>Used or Second-hand Motor Vehicles Regulations</i></a> <a href="#"><i>Non-residents' Temporary Importation of Baggage and Conveyances Regulations</i></a> <a href="#"><i>Motor Vehicle Safety Regulations</i></a> <a href="#"><i>On-Road Vehicle and Engine Emission Regulations</i></a> <a href="#"><i>Marine Spark-Ignition Engine, Vessel and Off-Road Recreational Vehicle Emission Regulations</i></a> <a href="#"><i>Foreign Aircraft Servicing Equipment Remission Order, 1992</i></a> <a href="#"><i>Akwesasne Residents Remission Order</i></a>
<b>Other References</b>	<a href="#"><i>D19-12-1</i></a>
<b>Superseded Memorandum D</b>	D9-1-11 dated March 15, 2016