



# Memorandum D23-3-1

Ottawa, December 12, 2020

## Customs Self-Assessment Program for Importers

### In Brief

1. This memorandum provides information and guidelines regarding the Customs Self-Assessment (CSA) Program for importers. This memorandum reflects the modifications that result from the implementation of the Accounts Receivable Ledger which introduces amongst other things, a new client account where different invoices will be posted to clients' accounts where clients have Release Prior to Payment Privileges and an electronic payment option. It also reflects amendments made to the [Accounting of Imported Goods and Payment of Duties Regulations](#), and the [Reporting of Imported Goods Regulations](#) explaining the requirements for CSA and has been revised to include the following changes and updates to the policy concerning the CSA program. Paragraphs have been added or moved to consolidate information and/or to provide clarification to existing information.
2. The CBSA and United States (US) Customs and Border Protection (CBP) announced on January 8, 2013, that Canada and the US have increased and harmonized the value thresholds for expedited customs clearance. This memorandum has been updated to reflect this change.
3. The "CSA Late Accounting Penalties" section has been amended to reflect the changes to the threshold for and amount of the penalties.
4. The "Other Assessments – Interim Payments" and "Interest" sections have been amended to conform to legislative and regulatory provisions.
5. References to the importer's place of business have been amended in light of the new residency criterion which now includes the US.
6. The "Place of Shipment" section has been amended to reflect the changes to the eligibility of goods that are shipped to Canada from a US Foreign Trade Zone (FTZ). Goods that enter a US FTZ and do not undergo a further operation or process within the FTZ are now eligible for CSA clearance.
7. The heading entitled, "Empty Conveyances" has been removed. Please refer to [Memorandum D-23-2-1, Customs Self-Assessment Program for Carriers](#).
8. New sections have been added to the memorandum and include:
  - "Section 2 - Withdrawal, Suspension, Cancellation and Appeals" - this section clarifies the process for withdrawal from the CSA program as well as the appeal process from a decision stemming from a suspension or cancellation. Additionally, this section has been included to reflect the regulatory provisions dealing with suspension and cancellation from the CSA program.

- “Section 7 - Compliance” - this section includes a description of the importer obligations, provides a brief outline of the validation and re-validation process, provides a brief description of the monitoring activities to which CSA importers are subject and finally, provides clarification regarding post incident analysis processes and actions plans; when they are used.

9. New subject matter now covered in this memorandum has been included under the following headings:

- a) “Privacy Statement” - Provides the provisions under which information is collected under the CSA program.
- b) “Hand-carried Goods” - Clarification regarding the processing of hand-carried goods is provided.
- c) “ePayment” - Electronic payments for duties and taxes is now available for CSA importers at participating financial institutions.
- d) “Systems Outages” - Provides contact information in situations of electronic systems outage.

10. Appendices B, G and J have been incorporated into the body of the memorandum for ease of reference and Appendices H and I have been removed for the sake of redundancy or relevancy.

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## Legislation

[Customs Act, paragraph 32\(2\)\(b\) and section 32.2](#)

### **Regulations:**

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

[Reporting of Imported Goods Regulations](#)

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## Guidelines and General Information

### Definitions

1. The following definitions apply to this memorandum:

<b>Accounting Trigger</b>	A process initiated from within the CSA importer's business systems that provides notification there are imported goods for which customs accounting is required. The accounting trigger replaces the notification process that occurs when goods are released by the CBSA.
<b>ACROSS</b>	Accelerated Commercial Release Operations Support System
<b>Act</b>	<a href="#"><u>Customs Act</u></a>
<b>Authorized Officer</b>	A person holding legal signing authority for the company that is applying for authorization under CSA.
<b>AIGPDR</b>	<i>Accounting for Importer Goods and Payment of Duties Regulations</i>
<b>AMPS</b>	Administrative Monetary Penalty System
<b>Authorized to Deliver</b>	The status of a CSA shipment that allows the carrier to deliver the goods directly to the place of business of the importer, owner or consignee where the importer and carrier are authorized. In highway mode, the driver is registered under CDRP or FAST. The carrier is liable for duties until the importer, owner or consignee receives the goods.
<b>Business Number (BN)</b>	A 15-character alphanumeric identifier assigned by the Canada Revenue Agency to identify a business. The BN consists of 15 characters: a nine-digit registration number and for import/export accounts, an RM identifier, followed by four digits to identify the account number.
<b>CADEX</b>	Customs Automated Data Exchange
<b>CAD</b>	Canadian dollars
<b>CCN</b>	Cargo Control Number
<b>CCS</b>	Customs Commercial System

<b>Clearance</b>	A function performed by the CBSA that provides authorization to move inward or outward from the CBSA's control. Under the CSA program, the clearance process occurs at the first point of arrival and provides the carrier with authorization to deliver the shipment, not to be confused with release of the goods that occurs when the goods are delivered.
<b>Commercial Driver Registration Program (CDRP)</b>	A voluntary CBSA program to register commercial truck drivers and allow them to participate in the CSA program. Drivers that meet the qualifications of the program become registered drivers and receive a photo identification card.
<b>Control Port</b>	A valid CBSA port number selected by the CSA importer for CSA processing.
<b>CSA Clearance</b>	Goods that are eligible to enter Canada under a CSA service option, which are imported by an authorized importer and transported into Canada using an authorized carrier. In the case of commercial highway conveyances, the driver is to be registered under the CDRP or FAST.
<b>CSA-Eligible Goods</b>	Eligible goods mean commercial goods that have been shipped directly from the United States or Mexico, where those goods do not require, under any Act of Parliament or of the legislature of a province, a permit, license or other similar document to be presented to the CBSA at the time of report.
<b>DAS</b>	Detailed Adjustment Statement, Form B2-1. A statement of adjustment issued in response to a request made by an importer/agent or as a result of the CBSA's review of an accounting document.
<b>Date of Decision</b>	For automated self-adjustments, the decision date is the date on which CCS accepts the transmission of an error-free adjustment entry type "X". For adjustment submitted to the CBSA on a hard-copy B2, the decision date continues to be the "decision date" of the DAS.
<b>Date of Payment/ Duty Paid Date</b>	The date that a designated financial institution receives the CSA remittance voucher (BSF645) with the accompanying payment. The date of payment is not the date of the related Revenue Summary form.
<b>Date of Release</b>	The date the goods are received at the place of business of the CSA importer, owner or consignee, regardless of when the goods are actually received into inventory; or the date goods were released by the CBSA.
<b>Daily Notice (DN)</b>	A report for brokers and importers using release prior to payment privilege to import goods into Canada. This report contains accounting transactions for debits, credits and payments per importer.
<b>ECCRD</b>	Electronic Commerce Client Requirements Document A document containing EDI message maps, supporting data element glossaries and code tables used for systems programming.
<b>EDI</b>	Electronic Data Interchange

<b>FAST</b>	Free and Secure Trade. A commercial clearance initiative designed to ensure safety and security while expediting legitimate trade across the Canada-U.S. border.
<b>Financial Institution</b>	<p>(a) a bank;</p> <p>(b) a credit union;</p> <p>(c) a corporation authorized by an Act of Parliament or of the legislature of a province to carry on the business of offering its services as a trustee to the public; or</p> <p>(d) a corporation authorized by an Act of Parliament or of the legislature of a province to accept deposits from the public and that carries on the business of lending money on the security of real property or of investing in mortgages or hypothecs on real property.</p>
<b>FTZ</b>	<p>Foreign-Trade Zones are secure areas under U.S. Customs and Border Protection (CBP) supervision that are generally considered outside CBP territory upon activation. Foreign-trade zone sites are subject to the laws and regulations of the United States as well as those of the states and communities in which they are located.</p> <p>The usual formal CBP entry procedures and payments of duties are not required on the foreign merchandise unless and until it enters CBP territory for domestic consumption, at which point the importer generally has the choice of paying duties at the rate of either the original foreign materials or the finished product. Domestic goods moved into the zone for export may be considered exported upon admission to the zone for purposes of excise tax rebates and drawback.</p>
<b>GST</b>	Goods and Services Tax
<b>Harmonized System(HS)</b>	The Harmonized Commodity Description and coding system of tariff classification for imported goods.
<b>HVS</b>	High Value Shipment. Commercial goods with a value for duty exceeding \$2,500 CAD
<b>In-Bond Movement</b>	The inland movement of goods that have not yet obtained Customs release. Only a carrier who has posted security with the CBSA may use the in-bond process.
<b>Interim Payment</b>	An amount paid at the end of a month for the estimated duty and taxes owing on goods that were received/released but were not accounted for before the submission of the RSF.
<b>LTL</b>	Less than Truckload
<b>LVS</b>	LVS – Low Value Shipment. Commercial goods with a value for duty of \$2,500 CAD or less
<b>NAFTA</b>	North American Free Trade Agreement
<b>OGD</b>	Other Government Department

<b>Release</b>	The date of release is the date the goods are physically received on site, at the place of business of the importer, owner or consignee, regardless of when the goods are actually received into inventory.
<b>Revenue Summary Form (RSF)</b>	<p>A monthly revenue summary prepared by the importer electronically that includes a breakout (by line object code) by tax and duty type; a summary of self-assessed adjustments; self-assessed interest amounts, either debit or credit; CBSA-assessed payment such as AMPS (e.g. late accounting) penalties, or DASs; the interim payment reconciliation (when required), and the total revenue remittance amount. The RSF is prepared in lieu of the SOA.</p> <p>The import/export account identifier used to distinguish an importing or exporting branch or division of a business. The account identifier consists of six digits; the RM program identifier to indicate that it is an import/export account, and a fourdigit reference number that is unique to each branch or division (e.g. RM0002). See also Business Number (BN).</p>
<b>RM</b>	RM - The import/export account identifier used to distinguish an importing or exporting branch or division of a business. The account identifier consists of six digits; the RM program identifier to indicate that it is an import/export account, and a four-digit reference number that is unique to each branch or division (e.g. RM0002). See also Business Number (BN).
<b>RMD</b>	Release on Minimum Documentation
<b>Service Option (SO)</b>	A numeric identification used in ACROS to identify a specific clearance program.
<b>Shipment</b>	Goods that are carried into Canada under a single transport document such as a Bill of Lading (BOL) or waybill.
<b>SIMA</b>	<a href="#"><i>Special Import Measures Act</i></a> , which governs the assessment of anti-dumping and countervailing duties on imported goods.
<b>Statement of Account (SOA)</b>	For brokers: A report showing a summary of all debits and credits per calendar day for each of their importer clients. For importers: A report showing a summary of all debits and credits per calendar day for each of their RM accounts, including a total payable (only non-CSA importers using Release Prior to Payment Privilege will receive SOAs).
<b>Summary of Drawback Activity (SDA)</b>	A form (CBSA130) used by a CSA importer to report summary drawback information in place of individual drawback claims.
<b>Sweep</b>	A process within the importer's business systems that will identify unmatched orders/receipts/ invoices to ensure that all goods are accounted for and duty paid in accordance with the <i>Customs Act</i> .
<b>Trade Chain Partner (TCP)</b>	An enterprise that is directly involved in the importation or cross-border movement of goods imported or transported by a CSA importer. TCP names are captured in ACROSS as part of an ongoing risk process and to verify legitimacy of a shipment. TCPs of the importer include United States and Mexico vendors and consignees in Canada that receive direct shipments.



<b>TRQ</b>	Tariff Rate Quota. A specified quantity that determines the applicable tariff rates of certain goods imported into Canada. Goods classified under a “within access commitment item” are subject to reduced duty rates.
<b>UN/EDIFACT</b>	United Nations/Electronic Data Interchange for Administration, Commerce and Transport is the international EDI standard developed under the United Nations
<b>United States Goods</b>	Goods that are imported from the United States, including US FTZs, not having been trans-shipped through the United States from a third country. United States goods may include goods originating in the United States, or goods that have legally entered the commerce of the United States.

## Introduction

2. Customs Self-Assessment (CSA) is a Canada Border Services Agency (CBSA) program designed to streamline the import process for authorized low-risk importers who have the systems capability to self-assess the accounting for imported goods to the CBSA, revenue reporting and the payment of duties and taxes.
3. To use Free and Secure Trade (FAST) dedicated lanes into Canada, carriers and importers must be authorized under the CSA program and/or be members of the Partners in Protection (PIP) program and the driver must be registered in either the FAST Commercial Driver Program or the Commercial Driver Registration Program (CDRP). For additional information about FAST and PIP, refer to the [CBSA website](#).
4. All legislative references to sections, subsections and paragraphs in this memorandum are from the *Customs Act* (the Act), unless otherwise stated.
5. The CSA program is comprised of two components:

(1) **Accounting, Revenue Reporting, Payment and Adjustment** – Importers authorized under the CSA program use the CSA accounting and payment processes for all commercial goods imported, regardless of the clearance process used to report the goods to the CBSA.

(2) **Clearance (Transportation and Reporting of Goods)** – CSA clearance is an optional reporting process available only to members of CSA. In order to utilize the CSA clearance, the following conditions must be present:

- (a) the goods must be eligible goods as defined under the [Accounting for Imported Goods and Payment of Duties Regulations](#) (AIGPDR);
- (b) the importer of those goods is a CSA importer;
- (c) the carrier that transports those goods is a CSA carrier;
- (d) when reporting the goods, the operator of the conveyance provides in bar-coded format the CSA carrier’s carrier code as assigned by the Agency and the CSA importer’s business number; and
- (e) in the case of eligible goods transported into Canada by a commercial highway conveyance as defined in section 1 of the *Presentation of Persons (2003) Regulations*, the driver of the conveyance holds an authorization under those Regulations, either the Commercial Driver Registration Program (CDRP) or the FAST Commercial Driver Program. Information on these driver programs may be found on the [CBSA website](#).

6. The fundamental features of the CSA program include:

- (a) The risk assessment and authorization of the importer, carrier, and highway driver.
- (b) The reduction of the number of data elements required to effect clearance of CSA-eligible goods, including the opportunity to consolidate some B3 data.
- (c) The CSA clearance is used to request the “authority to deliver” eligible goods directly to the importer, owner or consignee prior to release.
- (d) The date of release is the date on which the imported goods are received at the place of business of the importer, owner or consignee.
- (e) The requirement for accounting to the CBSA (the “accounting trigger”) is identified by the importer through business books and records. Clearance records for goods imported by a CSA importer are not inventoried in the CBSA’s systems for acquittal.
- (f) The extension of the time frame for accounting to the CBSA is increased from five days and timeframe varies according to which CSA accounting option chosen.
- (g) The elimination of the Daily Notice (DN) and Statement of Account (SOA), *Importer/Broker Accounting Statement*. In its place the importer summarizes revenue amounts each month on a single Revenue Summary Form (RSF). However, the requirement to provide B3 trade data remains. (h) The RSF allows for a single monthly report of both amounts due to the CBSA (debits) and amounts due to the importer (credits).
- (i) The payment of the net revenue amount reported on the RSF may be made at a financial institution.
- (j) Most corrections to accounting information may be made by the electronic submission of an “X” type adjustment.
- (k) The replacement of individual drawback claims with a Summary of Drawback Activity (SDA). (l) The assignment of a CBSA officer to the CSA importer.

### General Process Requirements

7. The points below are provided as a general overview of the CSA process requirements for a CSA importer:

**For border processing:**

- Identify which goods are eligible for CSA clearance and communicate this to the vendor, shipper or carrier so that they are reported to the CBSA under the correct service option.
- The importer’s 15-digit Business Number (the 9-digit business number including the RM account) in bar-coded format is required by the CBSA when goods are reported under a CSA service option.
- Ensure the Trade Chain Partner (TCP) lists of United States and Mexico vendors and Canadian direct delivery consignees are submitted or transmitted to the CBSA by the importer or service provider, and updated as required.

**For accounting, adjustment, revenue reporting and payment:**

- Importers require a process to identify the date of release for goods delivered to their own place of business or the place of business of the owner or consignee.
- CSA importers must have a process in place to ensure that imported goods are accounted to the CBSA (i.e. a business systems trigger for CBSA accounting). The extended accounting time frames of the CSA accounting options are offered to provide the importer with the opportunity to identify imported goods and submit accounting by the due date.
- Accounting to the CBSA remains similar to non-CSA processing, and B3 trade information is transmitted to the CBSA by importers or their agents through Electronic Data Interchange (EDI)

Customs Automated Data Exchange (CADEX), and United Nations/Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) systems. Supporting documentation is not required unless requested by an officer.

- The DN and SOA billing process generated by the CBSA is eliminated. In place of the DN and SOA, the importer is required to report a summary of all amounts payable to CBSA on a monthly RSF. Amounts due to the importer, such as interest, and duty over-paid in error, and drawback are also reported on the RSF. The importer is required to have a process in place to provide the CBSA with the correct summary of revenue amounts by the last business day of each month. For example, given that the CBSA does not track the individual duty and tax amounts of B3 transmissions of the CSA importer, the importer is required to have an audit trail in place to substantiate the amounts reported on the RSF.
- The importer is required to pay the final RSF amount to a financial institution by the last business day of each month. Where multiple payments are made during the month (to avoid late payment interest on assessments such as a penalty or re-determination), the importer is to ensure that the total of the payments equals the RSF total.
- Self-adjustment of original accounting information by the CSA importer is generally not submitted to the CBSA on form B2, but is transmitted electronically using an X-type entry. Although this transmission is like that of a B3, the importer requires a process, either in-house or through an agent, to transmit the automated adjustment. Some self-adjustments and all disputes continue to be submitted on form B2.
- Given that there is no CBSA link in the X-type process between the accounting transaction number and the self-adjustment of that specific transaction, the CSA importer requires an audit trail between the accounting for goods and related adjustments. Where the self-adjustment of origin requires a reference to the original accounting transaction and line number, these numbers are transmitted on the X-type entry, and must also be substantiated with an audit trail.
- All revenue amounts related to any X-type and B2 self-adjustments are reported on the RSF, including additional amounts owing and amounts refunded. As with B3 amounts reported on the RSF, the importer requires an audit trail to substantiate the adjustment amounts reported and paid or credited.
- CSA importers who claim drawback require a process to confirm drawback amounts on the RSF with an audit trail between the amount claimed, the SDA CBSA130, individual claims, and supporting documents.

## **Privacy Statement**

8. The information collected under the CSA program application and supporting documents is done in accordance with the authorities of sections 11, 12, and 13 of the Act for the purposes of administering or enforcing the CSA Program. The information will be used to determine the eligibility of an applicant and to conduct compliance reviews (e.g. to ensure that members continue to adhere to program requirements) and may be disclosed internally for the purposes of investigation and enforcement activities relating to program applicants and members. The information may also be used for statistical purposes and program evaluation. Disclosure of the information collected under the CSA program application and supporting documents is governed by section 107 of the Act.
9. In addition to the information outlined in the CSA program application and supporting documents, the CBSA may disclose the business name, address, contact information, business number, membership dates, membership status and business identifiers to other programs within the CBSA and to other government agencies, to confirm membership status, conduct debt checks or carry out the mandate of the CBSA, as applicable, under section 107 of the Act.
10. Individuals have the right of access and/or can make corrections to their personal information under the

[Privacy Act](http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/pia-efvp/atipaiprp/infosource-eng.html). The information collected is described within Info Source under the CSA program detailed in the [CBSA Info Source Chapter](http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/pia-efvp/atipaiprp/infosource-eng.html) at <http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/pia-efvp/atipaiprp/infosource-eng.html>.

## **SECTION 1 - CSA AUTHORIZATION**

### **CSA Eligibility Criteria**

11. To participate in the CSA program, the importer must meet the following basic eligibility criteria:
- (a) The importer satisfies the residency requirements as outlined in section 10.5(2) the AIGPDR. (b) The importer has imported commercial goods into Canada at least once before the 90 days before the day on which the application was received.
  - (c) The importer is of good character.
  - (d) The importer is solvent.
  - (e) The importer pledges security in accordance with section 11 of the AIGPDR.
  - (f) The importer's books, records and business processes have the internal controls necessary for verification purposes and the importer is able to provide all information necessary to the CBSA, when requested.
  - (g) The importer is able to transmit trade data and trade data adjustments to the CBSA electronically (from the importer's own business systems, either directly or through a service provider).

### **Residency Requirements**

12. Pursuant to paragraphs 10.5 2(a) and (b) of the AIGPDR, the importer must have its head office within Canada or the US, or operate a branch office in Canada or the US. Specifically,
- if the importer is an individual, the importer must ordinarily reside in Canada or the US;
  - if the importer is a partnership, the importer must have at least one partner who is an individual and who ordinarily resides in Canada or the US; or
  - if the importer is a corporation or cooperative, the importer must have its head office in Canada or the US or operates a branch office in Canada or the US.
13. The Canadian or American business entity maintains separate books and records in relation to the Canadian or American business operations, and prepares separate financial statements; files Canadian income tax returns; maintains and controls bank accounts in Canada or the US; accounts for the imported goods and is responsible for paying the applicable duties and taxes.

### **CSA Application**

14. An application for a CSA authorization is made to the Minister and is comprised of two parts which are to be completed by the importer accurately and completely:

(a) **Part I - Risk Assessment**

This portion of the application provides the CBSA with information that is used to develop an importer profile and assess the risk of the applicant.

(b) **Part II - Books, Records and Business systems**

This portion of the application is used to determine whether the importer's systems, audit trails, internal controls, policies and procedures are in place to support CSA requirements.

15. Throughout the application process, the CBSA reserves the right to request information in addition to details provided by the importer in Parts I and II of the application.

16. The CBSA will refuse to issue a CSA authorization to any applicant, if it is found that the applicant provided false or misleading information in any part of its application and may assess a penalty of \$25,000 CAD.

### **CSA Application - Part I**

17. To apply for authorization, the importer must first complete [Form E646, Customs Self-Assessment – Importer Application – Part I](#).

18. Part I of the CSA importer application must be signed by an authorized officer of the company.

19. When completed, the original signed application is submitted to the CBSA:

#### **Mailing Address:**

Customs Self-Assessment  
Canada Border Services Agency  
P.O. Box 7000, Station A  
Mississauga ON L5A 3A4

#### **Courier or in Person:**

Customs Self-Assessment  
Canada Border Services Agency  
1980 Matheson Boulevard East  
Mississauga ON L4W 5R7

Any information submitted by the importer, such as the CSA application information, is subject to the disclosure provisions under section 107 of the Act and the [Privacy Act](#).

20. When Part I of the application is received, a CBSA officer is assigned to the importer. This officer serves as a single point of contact for the CSA program, manages the importer's application, provides ongoing guidance and assistance, and monitors the importer's CSA program compliance.

21. During Part I of the application process, the importer should confirm that the business is correctly registered under the Business Number (BN) program. To participate in the CSA program, it is essential that the legal entity is registered under only one nine-digit BN, and divisions or branches of the legal entity involved in the importation of goods are identified with a unique import/export (RM) account identifier. CSA importers are exclusively identified in the CBSA's automated systems by their 15-digit BN/RM. The CBSA systems will recognize an importer BN/RM as being CSA approved, thus validating the importer authorization for the purposes of the CSA clearance. Additional information about the BN can be found in departmental [Memorandum D17-1-5, Registration, Accounting and Payment for Commercial Goods](#).

22. An importer risk assessment is conducted and includes an examination of the legal business entity, and includes an assessment of compliance with CBSA program legislation, criminal convictions, and outstanding debts to the Crown.

23. The time frame for completion of the CSA risk assessment may vary from case to case, according to a number of factors, such as the corporate structure of the entity and the number of regions in which the importer conducts business.

## Part I Approval

24. Importers who pass the Part I application are deemed to be low-risk and are invited to continue to Part II of the CSA application process. This notification is not a final authorization to participate in the CSA program, but permits the importer to proceed to Part II. Final approval for participation is obtained only when Part II of the application process is completed successfully and the Summary of Program Requirements is signed by the approved importer and accepted by the CBSA.

## Part I Denial

25. Importers whose Part I application is denied will be notified of the reason for the denial in writing. The letter of notification will be sent to the attention of the authorized person in the business, who signed Part I of the application.

26. An importer whose Part I application has been denied, may appeal the decision by following the procedure outlined in paragraphs 65 - 71 below.

## CSA Application - Part II

27. Importers who have received an invitation to continue to Part II of the CSA application must complete [Form E655, Customs Self-Assessment Program – Importer Part II Application](#). Information concerning the completion of Form E655 may also be obtained by contacting their assigned CBSA officer.

28. An authorized officer of the business must sign Form E655 and certify that the information provided is true and complete. When completed, the original signed application is to be submitted to the CBSA office at the address listed in paragraph 19 above.

29. During the Part II application process, the CBSA will ensure that the importer's business systems allow for the complete and accurate reporting of the trade data for all imported goods. The importer must describe their business systems for the import process, including audit trails and internal controls from source documents to accounting documents. The audit trail includes, but is not limited to:

- (a) importer source documents, such as purchase orders, invoices, proof of payment, etc. of imported goods;
- (b) the receipt of goods; and
- (c) documents such as B3, X-type adjustments, amounts reported on the RSF, and payment of duties and taxes.

30. The importer must demonstrate how the following CSA requirements will be met:

- (a) the release date captured in the importer's systems;
- (b) the reconciliation of commercial records to trigger the accounting for imported goods;
- (c) the identification and accounting for goods that may fall outside the accounting trigger (e.g. by using a systems sweep described below);
- (d) differentiation of foreign and domestic goods;
- (e) the ability to identify and control importations with permit and/or release requirements from Other Government Departments (OGD's).
- (f) the correction of original accounting information;
- (g) submission and maintenance of TCP lists; and
- (h) electronic transmissions of the X-type adjustment, TCP updates, and the RSF.



31. In Part II, the importer also identifies the CSA accounting option that the importer has selected and the account security number that is pledged. Where the account security number is assigned to a party other than the importer, a letter of authorization from that party must also be submitted as part of the application package. For more information on account security, please refer to paragraphs 144 - 146 of this memorandum.
32. The systems requirements to support CSA requirements do not have to be in place when Part II of the application is submitted, but must in place before the final authorization is granted. The details relating to the specific systems requirements and minimum audit trails are provided in Part II of the CSA application.
33. The evaluation of Part II of the application is performed by the CBSA officer who reviews the importer's application against the CSA requirements. While the CBSA officer exercises due diligence in reviewing Part II, acceptance of the application does not signify certification of the importer's business systems, or exempt the importer from being subject to any penalty assessed by the CBSA.
34. The CBSA will visit the importer's premises to review information and systems descriptions provided in Part II of the application (e.g. tour of the premises, systems walk-through, report generation, etc.).

### **Multiple Part II Applications**

35. While only one Part I application form is to be submitted by the legal entity, the various business divisions that wish to participate separately under the CSA program must each submit a Part II application. Once the legal entity is assessed as a low-risk importer under Part I, the individual divisions may become CSA participants based on their systems readiness or business needs.
36. By allowing more than one application under Part II, business divisions of the legal entity can join the CSA in a graduated manner. Operationally, this means that some divisions may have separate CSA clearance, accounting, revenue summary, remittance and adjustments. Accordingly, the divisions that submit a separate Part II application to be a CSA-approved importer must be clearly defined by a separate 15-digit Business Number (BN).
37. When several divisions submit a single Part II application (e.g. divisions A, B and C), **one** 15-digit BN/RM must be selected and consistently used to identify that group of divisions. The remaining RM accounts must be cancelled. The one 15-digit BN/RM selected to identify the multiple divisions is used on all clearance, accounting, payment and adjustment documents or transmissions. This also means that concurrent links and audit trails for these divisions must exist in the business books and records to produce a single monthly RSF.

### **Electronic Requirements**

38. The authorized CSA importer is required to provide Form B3 data and X-type adjustments electronically from the importer's business systems, either directly or through a service provider. Electronic transmission of the RSF is also required. Where the importer's TCP list is greater than 25, changes to the list must also be transmitted electronically. For more information regarding TCPs, please refer to paragraphs 41 - 45 below.
39. To assist importers in understanding the electronic requirements of the CSA program, importers or service providers can obtain a copy of Chapter 17 of the CSA Electronic Commerce Client Requirement Document (ECCRD) by visiting the CBSA website: [www.cbsa.gc.ca](http://www.cbsa.gc.ca). The ECCRD gives an overview of the EDI environment at the CBSA, provides message maps (in Appendix B of the ECCRD), and the

implementation methodology associated with the CSA program. The main purpose of the document is to assist CSA participants with their internal implementation.

40. The CBSA does not begin the testing phase of an importer's electronic transmissions until the importer's Part II submission is approved. Once the approval is provided, the CBSA officer will forward an EDI survey to the importer to initiate the testing process. The importer must complete the testing process with the CBSA before the final CSA authorization can be provided.

#### **Trade Chain Partners (TCP) Lists**

41. Importers who are authorized to participate in the CSA program are required to provide and electronically maintain lists of the following TCPs:
- (a) locations in Canada that receive direct delivery of imported goods for which the CSA participant is the importer of record; and
  - (b) for goods imported from the United States and Mexico, all vendors and shipping locations.
42. The requirement to provide the TCP lists supports ongoing risk assessment. TCP lists submitted by the CSA importer are captured in ACROSS for officers to evaluate the legitimacy of shipments reported under the CSA program; therefore, importers must ensure that the TCP lists remain current. Both additions and deletions must be provided to CBSA.
43. The CBSA reserves the right to conduct a documentation review at the time of report and may request the shipment's delivery paperwork to compare the actual vendor and consignee with the importer's TCP list.

#### **Trade Chain Partners (TCP) Loads**

44. During Part II of the application process, importers must submit an initial list of their TCPs, including the vendors in the US and Mexico and the consignees in Canada that receive direct-delivery of imported goods. The TCP list must be submitted electronically as per the specifications for the TCP load provided in Appendix C of this memorandum and in the ECCRD. The importer may submit a test file of the TCP list to the CBSA to ensure that the final product is readable.
45. Six weeks before the CSA start date, a complete TCP file must be submitted to the CSA office for loading to the CBSA system. Throughout their participation in the CSA program, the importer is required to ensure that the list is up-to-date by submitting both additions to and deletions from the list. Where there are more than 25 TCPs, the update must be transmitted electronically. The ability to add and delete records electronically from the TCP file is part of the importer's electronic testing. Failure to provide and maintain the list of vendors and consignees may result in an action plan.

#### **Part II Approval**

46. The final approval for participation in the CSA program is obtained when the Technical Commercial Client Unit (TCCU) testing is successfully completed and all other requirements have been met. The importer will then be requested to sign the Summary of Program Requirements letter which is an agreement between the CBSA and the importer. This document summarizes the CSA requirements thereby confirming the importer's obligations.

#### **Part II Denial**



47. Wherever possible, the CBSA will work with the importer to assist in meeting the CSA requirements. However, where it is evident that these requirements cannot be met, a decision may be made to deny the application. Importers who are not approved under Part II of the application are notified of the decision and the reasons for decision, in writing. The letter of notification will be sent to the attention of the authorized signing officer who signed Part II of the application.

48. In some circumstances, the basis on which the Part II application was not approved may be subject to corrective action on the part of the importer. In these instances, the CBSA may negotiate an action plan with the importer in order to address any issues or concerns relating to the CSA program requirements. Upon implementation of the action plan and once the program requirements have been met, the importer may be reconsidered under Part II. For additional information regarding action plans please refer to paragraphs 251 - 254 below.

49. An importer whose Part II application has not been approved may appeal the decision by following the procedure outlined in paragraphs 65 - 71 below.

### **Transfer of CSA Authorization**

50. A CSA authorization granted to an importer that has successfully completed the CSA importer application process is not transferable and cannot be sold, disposed of, or acquired through an amalgamation, a change of legal entity, a sale of business, or purchases and acquisitions made by the CSA company of another company.

### **Transition**

51. When the CSA importer obtains its CSA authorization, there will be transitional issues to be considered. These issues are summarized in Appendix C. The CBSA officer can also provide additional information.

### **Updating Importer information**

52. CSA importers are required to inform the CBSA of corporate changes that may impact upon their CSA authorization. Details regarding what changes are to be communicated to the CBSA and the timeframe within which they are to be communicated can be found in the Withdrawal, Suspension, Cancellation and Appeals section of this memorandum.

## **SECTION 2 - WITHDRAWAL, SUSPENSION, CANCELLATION AND APPEALS**

### **Withdrawal**

53. Importers wishing to withdraw their application to or participation from the CSA program may do so at any time. To withdraw their application to or participation from the CSA program, importers must inform the CBSA officer assigned to the file, in writing, on business letterhead. The notice must be signed by the authorized signing officer. Once the importer has submitted their intention to withdraw, they will receive written confirmation of the effective date of their withdrawal from the CSA program.

54. An application or CSA authorization that has been withdrawn will not be reinstated and a full reapplication will be required in order to be reconsidered for a CSA authorization.

## Suspension

55. The CBSA may suspend a CSA authorization of a CSA importer if:
- the importer fails to provide and maintain security in accordance with s. 11 of the AIGPDR;
  - the importer fails to maintain its books, records and business processes and the internal controls necessary to permit the Agency to determine if the importer is in compliance with the Act and its Regulations;
  - the importer fails to maintain its ability to electronically transmit to the Agency the required information that is submitted when accounting for goods released under subsection 32(2) of the Act and any adjustments to that information, in accordance with the technical requirements, specifications and procedures for electronic data interchange that are set out in the ECCRD;
  - the importer becomes insolvent;
  - the importer has imported goods that were released under paragraph 32(2)(b) of the Act that were not eligible goods or that were transported by carriers that did not hold a CSA authorization;
  - the importer has been convicted of an offence under the Act or its regulations;
  - the importer fails to notify the Minister of any change in the information described in Schedule 2 of the AIGPDR at least 30 days before they occur; and/or
  - the importer fails to notify the Minister immediately of the following information:
    - (i) any changes to the importer's name or corporate name, as the case may be, residence or business address, as the case may be, solvency or security;
    - (ii) any changes to the ownership or organizational structure of the importer;
    - (iii) the sale of all or part of the importer's business; and
    - (iv) the importer is no longer able to electronically transmit to the Agency the required information that is submitted when accounting for goods released under subsection 32(2) of the Act and any adjustments to that information.
56. In deciding whether to suspend a CSA authorization, the following factors will be considered:
- a) the severity of the breach and whether or not it was rectified soon after it was discovered;
  - b) the economic impact of the suspension or the cancellation; and
  - c) the security and safety of Canadians.
57. If a decision has been made to suspend a CSA authorization, the importer will be given written notice of the decision and the reasons for the decision. The suspension is not effective until the earlier of either: the day on which the notice is received, or the 15th day after the date on which the notice was sent by mail or courier.
58. Suspension of a CSA authorization will result in an interruption of all program-related benefits including the use of CSA clearance, access to FAST-dedicated lanes, the CSA accounting option, revenue reporting and payment as well as participation in CSA - Platinum.
59. The importer will be given an opportunity to correct the matter that gave rise to the suspension within 30 days after the suspension has taken effect. If it is not possible for the importer to make the required correction within the 30 day period, the importer may make a written request within those 30 days for an extension of time, providing a justification for the extension request. In these instances, the CBSA officer may administer an action plan to formally document the matter giving rise to the suspension, recommend a resolution and follow-up until such situations are corrected. For additional information regarding action plans, please refer to paragraphs 251 - 254.

60. After the correction has been made, the CSA importer's authorization may be reinstated.

## **Cancellation**

61. The CBSA may cancel a CSA authorization of a CSA importer if;
- the authorization has been obtained on the basis of false or misleading information;
  - the importer no longer resides in Canada or the United States;
  - if the importer is a partnership, at least one of its partners no longer resides in Canada or the United States;
  - if the importer is a corporation, the importer no longer has its head office in Canada or the United States or no longer operates a branch office in Canada or the United States;
  - the importer is no longer of good character;
  - the importer so requests; and/or
  - in the case of a CSA authorization that has been suspended, the importer has not corrected the matter that gave rise to the suspension.
62. In deciding whether to cancel a CSA authorization, the following factors will be considered:
- a) the severity of the breach and whether or not it was rectified soon after it was discovered;
  - b) the economic impact of the suspension or the cancellation; and
  - c) the security and safety of Canadians.
63. Once a decision has been made to cancel a CSA authorization, the importer will be given written notice of the decision and the reasons for the decision. The cancellation is not effective until the earlier of: the day on which the notice is received, or the 15th day after the date on which the notice was sent by mail or courier.
64. Cancellation of a CSA authorization will result in a cessation of all program-related benefits including the use of CSA clearance, access to FAST-dedicated lanes, the CSA accounting option and revenue reporting as well as participation in CSA - Platinum. If the importer's name appears on the CSA approved importers list on the CBSA's website, it will be removed.

## **Appeals**

65. An applicant or member that disagrees with a denial, suspension, or cancellation decision by the CBSA may submit an appeal electronically to: [CBSA.Trusted\\_Trader-Negociants\\_dignes.ASFC@cbsa-asfc.gc.ca](mailto:CBSA.Trusted_Trader-Negociants_dignes.ASFC@cbsa-asfc.gc.ca)
66. In order to be considered, the written submissions must:
- a) be submitted within 30 business days from the effective date of the decision being appealed;
  - b) clearly state the importer's business name, mailing address and the reason(s) for appeal; and
  - c) include any supporting documentation.
67. The importer's 'refused', 'suspended', or 'cancelled' status will remain in effect throughout the duration of the appeal period. No further application processing or administration of the importer's file will occur until a decision has been rendered.
68. In the event that an appeal is allowed, then the application process will resume from the point at which it was interrupted. Conversely, if an appeal is not allowed, the CSA authorization will not be issued. The importer may re-apply for a CSA authorization after a period of one year.

69. If an appeal to suspend a CSA authorization is allowed, the suspension will end immediately and the CSA authorization will be reinstated. Conversely, if an appeal to suspend a CSA authorization is denied, then the suspension will remain in effect until such time the matter that gave rise to the suspension is corrected. Please refer to paragraphs 55 -60 for additional information.
70. If an appeal to cancel a CSA authorization is allowed, then either the authorization will be reinstated, or the importer will be placed under suspension for a specified duration pending corrective action. Conversely, if an appeal to cancel a CSA authorization is denied, then the cancellation of the CSA authorization will remain in effect. For information relating to the effect of a cancellation of a CSA authorization, please refer to paragraph 63.
71. The CBSA will render a decision and a letter of notification will be sent to the business within 30 business days of receipt of the appeal, not including any period of time in which the application is held in abeyance pending the receipt of requested additional information or response from the business. The letter will state the CBSA's decision and specify an effective date. All appeal decisions rendered by the CBSA are final.

### **Reapplication following Denial or Cancellation**

72. A moratorium on reapplication following a denial or cancellation decision may be imposed at the discretion of the CSA program depending on the reason(s) for denial or cancellation.
73. The CSA program reserves the right to specify reapplication timeframes on a case-by-case basis, and to disallow reapplication indefinitely for serious cases.

## **SECTION 3 - CSA CLEARANCE**

### **General Overview of CSA Clearance**

74. While the obligation to report goods under section 12 of the Act is not altered under the CSA program, the related specific reporting requirements are changed to support the streamlined CSA clearance process. Under

CSA clearance, commercial goods are reported to the CBSA at the first point of arrival, where they may be "authorized for delivery" by the CBSA. The CSA-authorized carrier who reports goods to the CBSA for authorization to deliver is liable for the payment of duties and taxes, with this liability transferring to the importer when they are received at the importer's place of business, or delivered to the owner or consignee, including intermediary locations that have been designated by the importer. Release will occur at these locations and the release date will be the date the goods were received at these locations.

75. Where commercial goods are reported to the CBSA for authorization to deliver under the CSA clearance process the following conditions apply:
- (a) The goods must be eligible for CSA clearance;
  - (b) The importer is authorized under CSA;
  - (c) The carrier is authorized under CSA;
  - (d) Where the goods are transported into Canada in highway mode, the driver is authorized under CDRP or FAST.
76. Under CSA clearance, the CSA carrier typically provides the following CSA data elements at the port of entry which are electronically verified by the CBSA at the Primary Inspection Line (PIL):

- (a) the 15-digit BN/RM of the CSA importer in bar-code format; (b) the carrier code of the CSA carrier in bar-code format; and
- (c) the driver's CDRP card or FAST card (for highway mode).

**Note:** Where this information is valid, the carrier may be authorized to deliver the CSA shipment.

77. Detailed information concerning the transportation and reporting of goods using CSA clearance is provided in [Memorandum D23-2-1, Customs Self-Assessment Program for Carriers](#).

### **CSA-Eligible Goods**

78. In the interests of health, safety and security, not all goods imported by a CSA importer are entitled to CSA clearance. CSA-eligible goods are defined under section 2 of the AIGPDR as:

“...commercial goods that have been shipped directly from the United States or Mexico and for which there is no requirement under any Act of Parliament or of the legislature of a province or any regulation made under such an Act that a permit, license or other similar document be provided to the Agency before the goods are released.”

79. CSA-eligible goods also qualify for access to the FAST dedicated lanes provided that both the importer and carrier are either members of CSA or PIP, and that the driver is FAST or CDRP-approved.

It is critical for importers to establish routine communication with their shippers and vendors to identify which products are eligible for CSA clearance. These instructions could be a standard part of foreign purchase agreements and contracts, or on a per shipment basis.

80. In turn, it is recommended that shippers and vendors relay this information to the carrier and driver to confirm which shipments qualify for CSA clearance.

81. CSA-eligible goods exclude goods that are a prohibited, controlled or regulated import into Canada, in accordance with the provisions of an Act of Parliament or of the legislature of a province, as well as the regulations made in accordance with any Act that prohibits, controls or regulates their importation, i.e. subject to regulation by OGDs.

82. While most OGD requirements must generally be met before the release of goods, the importer may enter into an agreement with an OGD that allows the importer to provide OGD requirements after importation. Where the CSA importer has made such an agreement, the related goods may qualify for CSA clearance. To obtain more information, importers should contact their CBSA officer.

### **Place of Shipment**

83. To be eligible for CSA clearance, goods must be shipped directly to Canada from within the US or Mexico as noted on the carrier's through bill of lading. For purposes of determining the eligibility of goods for CSA clearance, the “United States” means the 50 states of the United States, the District of Columbia and Puerto Rico.

84. Goods that are shipped to Canada from the US or Mexico are eligible for CSA clearance, including goods that enter a US FTZ and are shipped to Canada in the same condition that they were imported into the

US. However, goods that are shipped from offshore to Canada and travel in-transit through the US, including FTZ, and/or Mexico are not CSA-eligible goods.

### **Authorized to Deliver**

85. Under CSA clearance, commercial goods are reported to the CBSA at the first point of arrival, where they may be “authorized for delivery” by the CBSA. A CSA clearance is used to request the “authority to deliver” eligible commercial goods that are imported by an importer who is authorized under the CSA program and are released at the place of business of the importer, owner or consignee of the goods. It is derived from the release prior to accounting provision under paragraph 32(2)(b) of the Act:

(2) In prescribed circumstances and under prescribed conditions, goods may be released prior to the accounting required under subsection (1) if

(b) the goods have been authorized by an officer or by any prescribed means for delivery to, and have been received at, the place of business of the importer, owner or consignee of the goods.

Intermediary locations, as designated by the CSA-approved importer, constitute a consignee. Release will occur at these locations and the release date will be the date the goods were received at the intermediary location.

### **Meaning of CSA “Release”**

86. In the context of a CSA clearance, under section 2 of the Act “release” means;

“(b) in respect of goods to which paragraph 32(2)(b) applies, to receive the goods at the place of business of the importer, owner or consignee;”

This meaning applies to eligible goods that are authorized for delivery to, and have been received at, the place of business of the importer, owner or consignee. Thus, release occurs on the date received.

### **Interim Accounting Not Required**

87. Under CSA clearance, interim accounting is not required. The accounting for goods imported by the CSA importer occurs after the goods are received at the place of business of the importer, owner or consignee. Therefore, the CSA importer is not required to provide a Form CI1, *Canada Customs Invoice*, or commercial invoice, or B3 referred to in [Memorandum D1-4-1, CBSA Invoice Requirements](#), for clearance or final accounting, except when requested by a border services officer.

### **Carrier Liability**

88. Where goods are reported under CSA clearance for authority to deliver, the carrier is liable for duties and taxes until the goods are received at the place of business of the importer, owner or consignee, or otherwise discharged under the provisions of subsection 20(2.1) of the Act. Once the goods are received at the place of business of the importer, owner or consignee, liability transfers to the importer and the reporting carrier must ensure that proof of receipt is obtained and kept on hand for CBSA verification.

### **CSA Clearance Options**

89. The service options available to report eligible goods under CSA clearance are:

<b>Clearance Service Option</b>	<b>Service Option No.</b>
CSA Highway Paper	00497
CSA Non-highway Paper	00521
CSA EDI Highway Cargo	00539
CSA EDI LTL Conveyance	00547
CSA EDI Rail	00505
CSA EDI	00513
CSA EDI Highway Release	00612

### **Mandatory Harmonized System Codes (HS Code)**

90. CSA importers are generally exempted from the requirement of reporting mandatory HS code, regardless of the clearance option that is used to report imported goods (i.e. CSA or non-CSA clearance). However, where the goods are reported under an electronic service option of other government departments (OGD), CSA importers are required to provide the HS code.

### **Hand-Carried Goods**

91. “Hand-carried goods” (HCG) applicable in all modes is defined as: Goods that will be released after they have been accounted for and all duties with respect to them have been paid under subsection 32(1) of the Act if:

- (a) the goods are or will be in the actual possession of a person arriving in Canada; or
- (b) the goods form or will form part of a person’s baggage and the person and the baggage arrive or will arrive in Canada on board the same conveyance.

92. Hand-Carried Goods, being imported by or for a CSA importer may be released at the time of importation through presentation of a paper Release on Minimum Documentation (RMD) package provided the following conditions are met:

- (a) the importation falls within the definition of HCG as described in above;
- (b) the transporter does not meet the criteria of a carrier as defined by CBSA;
- (c) the BN indicated on the RMD documentation must reference a CSA importer; and
- (d) release of the shipment must be obtained at the first point of arrival (in-bond movement will not be permitted).

The requirement for a bar-coded Cargo Control Number (CCN) is not applicable for CSA importer shipments of HCG.

93. Upon presentation of the paper RMD package, the CBSA will assign and apply the required CCN at time of importation. This CCN applied by CBSA is for purposes of system processing only. This CCN will appear on the CBSA electronic notification of release to the CSA importer or customs broker. Please consult [Memorandum D17-1-4, Release of Commercial Goods](#).

### **Border Verification**



94. The CBSA continues to reserve the right to examine shipments and conveyances that enter Canada. Occasionally, the CBSA may refer a CSA shipment for verification activities such as:

- (a) contraband examination;
- (b) cab check;
- (c) documentation review; and/or (d) random examinations.

### **Documentation Review**

95. Where goods are reported for a CSA clearance, the report is made at the first point of entry into Canada and requires only the presentation of the driver's CDRP or FAST driver card, and specific bar codes to identify the CSA-approved carrier and importer. Documentation reviews may be performed by the CBSA before CSA goods are authorized for delivery to verify the eligibility of the goods reported under a CSA clearance option. A documentation review is intended to verify whether the goods reported under the CSA program are prohibited, controlled or regulated, whether the goods were shipped to Canada from the United States or from Mexico, whether the goods are imported by an approved importer and are destined for an approved consignee location. Although the carrier is required to have the required commercial documents on hand (e.g. bill of lading, pro-bill), no documentation is presented to the CBSA at the time of report, unless requested by a CBSA officer.

## **SECTION 4 - ACCOUNTING**

96. Under the CSA program, the requirement of sections 32 and 33 of the Act to account for and pay duties on imported goods is unchanged. For clarity, accounting refers to the submission of the Form B3.

Where an authorized CSA importer imports commercial goods, the following accounting processes change:

- (a) goods authorized for delivery, as described in paragraph 32(2)(b) of the Act, are released before final accounting without the requirement for interim accounting;
- (b) the CSA importer is responsible for initiating the accounting of all imported goods from the importer's own business systems (the importer's accounting trigger);
- (c) the time frame within which accounting for goods is due is extended beyond the normal five-day period; and
- (d) some B3 accounting information may be consolidated.

97. All commercial goods imported into Canada by a CSA importer are subject to CSA post-importation processes, such as extended accounting time frames, summary reporting of revenue amounts, payment to a financial institution and automated adjustment, regardless of the clearance option used to report the goods to the CBSA.

98. A fundamental feature of the CSA program is that release records reported under the 15-digit BN/RM of the CSA importer and captured in ACROSS do not require a matching acquittal in the Customs Commercial System (CCS). The acquittal of a clearance transaction with an accounting transaction does not occur because:

- (a) every release transaction, regardless of the service option used to clear the goods, is automatically acquitted in ACROSS, based on the CSA-approved BN/RM; (b) transaction number is not required when using CSA clearance;
- (c) importers identify from their business systems, after goods are received, that accounting is required; and
- (d) importers are responsible for adhering to accounting due dates, according to their selected CSA accounting option.



## Accounting Trigger

99. The term “accounting trigger” refers to the method used by a CSA importer to identify that accounting to the CBSA and payment of applicable duties and taxes are required. For example, non-CSA importers are generally told by the CBSA that goods have been released. This is the “trigger” that initiates the process for accounting and payment. However as the CBSA does not inform the CSA importer, an accounting must be triggered from the importer’s own business systems when imported goods are entered into the importer’s books and records.

100. The recommended method for CSA importers to trigger accounting is the reconciliation process used in business to authorize payment. Generally, payment is not authorized until the corresponding purchase order, receiving report and vendor’s commercial invoice are compared to verify which goods were received, the vendor’s identity, the price payable and the quantity received. A match of the details from these three files, with appropriate adjustments and allowances, results in the transaction being ready for payment.

101. Transmission of B3 accounting data by the CSA importer is expected to occur when the three-way match of the goods, the quantity received and the invoice value have been reconciled. The accounting time frames are extended for goods imported by a CSA importer to allow for this internal reconciliation process. Where a three-way match does not occur before accounting is due, a similar process, such as a two-way match of the purchase order and the receiving record, may be used; and adjustment filed, if required, when the invoice is received.

## Systems Sweep

102. The business reconciliation process models a typical method from which accounting to the CBSA can be triggered. However, two considerations affect the reliability of this trigger:

- (a) Some importations could fall outside the reconciliation process, such as:
  - (i) unsolicited shipments sent to the business without its prior knowledge;
  - (ii) no-charge goods for which payment is not expected;
  - (iii) delayed payment due to disputes with the vendor;
  - (iv) goods on consignment;
  - (v) goods shipped directly to a third party in Canada;
  - (vi) adjustments to the price paid or payable, or the result of overages, shortages or damages; (vii) Canadian goods returned;
  - (viii) temporary importations;
  - (ix) low-value shipments;
  - (x) courier shipments;
  - (xi) goods placed in a bonded warehouse, etc.
- (b) The reconciliation process that results in the three-way match is not completed until after the accounting due date.

103. CSA importers need to examine their systems and processes to ensure that all importations are accounted for to the CBSA in the required time period. A systems sweep should be developed for importers to identify unmatched orders, receipts, invoices and importations that could fall outside the reconciliation process. In performing the sweep, importers should also ensure that all the goods that have been imported have been accounted for to the CBSA and potential adjustments have been identified.

## CSA Release Date

104. Under the CSA program, accounting and payment periods are determined by the release date. The meaning of release under section 2 of the Act in respect of goods to which paragraph 32(2)(b) applies, to receive the goods at the place of business of the importer, owner or consignee.

105. The date of release/receipt **is used to establish the accounting and payment periods for all** goods imported by the CSA importer. Goods not eligible for CSA clearance must be reported to the CBSA for a “release” decision, at which time liability for duties on the goods is transferred from the carrier to the importer. Goods eligible for CSA clearance are reported to the CBSA for an “authorization for delivery” to the place of business of the importer, owner or consignee; and when the goods are received, liability for duties on the goods is transferred from the carrier to the importer.

106. A key requirement for CSA importers is to ensure that their business systems can record and track the date on which imported goods are received. In addition, the date of release/receipt identified by importers from their business systems must not be later than the date that the imported goods are physically received at the place of business of the importer, owner or consignee.

### **Alternative Release Date**

107. In some situations, such as goods shipped directly from the vendor to a Canadian consignee (direct shipment), the CSA importer may not know the date of physical receipt at the consignee’s place of business. To resolve such a situation, the importer may select an alternative date to identify the date of release. For example, if goods shipped directly by a specific vendor to a consignee in Canada are typically released by the CBSA four days after shipment, then the release date could be calculated as the shipping date plus four. In this example, if the vendor ships goods on April 25 the alternative release date calculated by the importer will be  $\text{April } 25 + 4 = \text{April } 29$ .

**Note:** The release date cannot be later than the transmission date of the B3.

108. The calculation and rationale of receipt date and/or alternative release date must be submitted by the importer with Part II of the CSA application and be approved by the CBSA. Given that the number of days between shipping and typical CBSA release could vary for different vendor-consignee contracts, the importer may have to provide a rationale for more than one receipt date or alternative release date for the CSA.

109. The release/receipt date applied to goods imported by the CSA importer is to mirror the date of a CBSA release decision.

110. The date of release/receipt or alternative date of release, identified by the CSA importer is the date used to determine the time frames for accounting to the CBSA and is transmitted by importers to the CBSA as the release date on their B3. Where importers choose to consolidate their accounting, the time frames for accounting to the CBSA will be based on the earliest release/receipt date in the consolidation.

### **Accounting and Payment**

111. “Accounting” is different from “payment”. Accounting is the provision of B3 data. The accounting options (Option 1 or Option 2) under the CSA define the accounting time frames. Regardless of the accounting option selected by the importer, the payment to the Receiver General for Canada is payable by the last business day of the month for all goods released/received between the 19th of one month and the 18th of the following month. While the accounting time frame can vary between CSA importers, the payment period is identical for all CSA importers (see below).

### CSA Accounting Options – High Value Shipments (HVS)

112. In the CSA environment, all commercial goods with a value for duty exceeding \$2,500 CAD are accounted for to the CBSA within one of two accounting time frames, regardless of the CSA clearance or release option that was used to report the goods. A table comparing the similarities and differences of the two CSA accounting options and the accounting requirements of a non-CSA importer is provided in Appendix D of this memorandum. The CSA accounting options are:

- (a) **Option 1** – Accounting for goods released/received in a calendar month (month one) is due by the 18th of the following month (month two).
- (b) **Option 2** – Accounting for goods released/received between the 19th of one month and the 18th of the second month is due by the last business day of the second month.

**Note:** Goods cannot be accounted for before the date of release/receipt.

113. CSA importers must select one of the two accounting options before their CSA start date and must not change the selected option during their participation in the CSA program.

### CSA Accounting Options – Low Value Shipments (LVS)

114. Imported commercial goods that have a value for duty of \$2,500 CAD or less must be accounted for by the 24th day of the month following the month in which the goods were released/received. Alternatively, CSA importers may choose to use the same accounting option selected for their high value shipments (i.e. Option 1 or Option 2). More details on accounting options for low value shipments can be found in Appendix E of this memorandum.

**Note:** Goods cannot be accounted for before the date of release/receipt.

115. In keeping with the *Courier Imports Remission Order*, commercial goods imported by a CSA importer with a value for duty not exceeding \$20 CAD do not have to be accounted for to the CBSA. However, the importer must maintain documentation to support the applicability of the remission. Note the remission is not granted:

- (a) for alcoholic beverages, cigars, cigarettes and manufactured tobacco, regardless of value; (b) in conjunction with tariff item No. 9816.00.00 of the *Customs Tariff*, which provides an exemption from duties and taxes on gifts valued at \$60 CAD or less;
- (c) for books, newspapers, magazines, periodicals and other similar publications shipped from suppliers abroad, who are required to register with the CBSA, but are not so registered; and
- (d) for commercial transactions in which goods are ordered by a Canadian consumer from a Canadian intermediary who, in turn, causes the goods to be shipped directly through the mail from the foreign supplier to the Canadian purchaser.

### Payment Period

116. Duties owing on high value commercial goods released/received from the 19th of one month (month one) to the 18th of the following month (month two) must be paid no later than the last business day of month two.

**Note that the payment period is the same regardless of the accounting option selected.**

117. For commercial goods released/received in a particular month that have a value for duty of \$2,500 CAD or less, duties must be paid by the last business day of the following month, regardless of the accounting option selected.

### **Interim Payment**

118. An interim payment of duties may sometimes be required to avoid incurring late payment interest. This is due to the difference in the accounting and payment time frames. The actual amount of duties and taxes owing on imported goods is not known until they are accounted for to the CBSA. In situations where payment of duties and taxes is due before accounting is completed, an interim payment may be made to avoid late payment interest. For example, a CSA importer may not know the actual amount of duties and taxes owing for some goods released/received during the payment period so the importer may choose to make an interim payment for those goods.

### **Late Accounting**

119. In accordance with section 109.1 of the Act, where the importer fails to transmit accepted accounting data within the prescribed time limits, a late accounting penalty may apply. CSA importers are required to account for imported goods within the time limits of the CSA accounting option they select, or late accounting penalties may be assessed.

### **How to Identify if CSA Accounting is Late**

120. When an error-free accounting transmission is received by the CBSA systems, an “entry acceptance date” message is returned to the importer or broker who has transmitted the information. Where the entry acceptance date occurs after the accounting due date (based on the accounting option selected), the accounting is late.

121. Under the CSA, the importer is not notified by the CBSA of late accounting through the outstanding Transaction Status Client Report or DN/SOA. Instead, the importer is notified of instances of late accounting by the issuance of a Notice of Penalty Assessment (NPA), from the Administrative Monetary Penalty System (AMPS).

122. Late accounting for goods imported by the CSA importer is determined by the accounting option they have selected.

### **CSA Late Accounting Penalties**

123. There are two late accounting penalties that may apply to the CSA Importer: AMP C244 and C246.

124. AMP C244 is a zero-rated penalty that is used by the CBSA to monitor the total number of late HVS B3s that occurred in a calendar year (January 1 to December 31). This penalty is generated by the system each time a HVS transaction is late. AMP C244 allows the CBSA to calculate the compliance rate in the calendar year. Should the amount of late HVS transactions fall below 95 percent within a calendar year, the Importer will be assessed AMP C246.

125. AMP C246 is assessed for each HVS late transaction below 95 percent, at the rate of \$100 CAD per transaction. The transactions are monitored and the AMP is manually calculated by the importer’s assigned CBSA officer.

## **Systems Outages**

126. CSA importers should notify their assigned CBSA officer should they experience difficulties in transmitting their RSF within the prescribed timeframes during an outage in order to waive any applicable penalties for late transmission of the RSF. For more information regarding systems outages, please refer to the CBSA website.

## **Records**

127. The CSA importer is required to keep all records related to the commercial goods released/received for a period of six years (plus current) following importation of the goods, including information about:

- (a) the description of the goods and quantities received;
- (b) accounting to the CBSA for the goods;
- (c) records relating to the RSF and payment of duties;
- (d) the payment for the goods to the vendor, including credits and adjustments;
- (e) the sale or disposal of the goods in Canada; (f) refund, drawback or re-determination; and (g) a list of vendors and consignees.

## **CSA B3 Information**

128. B3 information continues to be submitted to the CBSA by the authorized CSA importer. However, there are some changes to the accounting process under the CSA program, for example:

- (a) accounting transactions in CCS are not matched to acquit release records in ACROSS;
- (b) B3 information may be consolidated by certain fields;
- (c) supporting documentation submitted at the time of accounting is reduced; and, (d) the DN/SOA billing process is eliminated.

## **Transaction Number**

129. There is no link between ACROSS release records and the CCS entry sub-system for a CSA importer's goods. Release and clearance decisions concerning commercial goods reported under the 15-digit BN/RM of an approved CSA importer are automatically acquitted in ACROSS. The system does not require a matching accounting transaction through CCS.

130. Where a transaction number is required, it cannot be duplicated for seven years and three months.

131. Since the systems acquittal of clearance records with accounting transmissions is not required, the CSA importer must maintain appropriate audit trails between imported goods released/received and accounted for. Failure of the CSA importer to maintain the required audit trails may result in the assessment of a penalty.

## **B3 Coding Changes**

132. Coding of the B3 fields is unchanged for CSA, except for:

- (a) Field 4, Office Number – Under the CSA, there is no requirement to submit individual headers by the CBSA office of release. The CSA importer designates a control port number during the registration process. The number must be a valid CBSA port number.
- (b) Field 45, Cargo Control Number (CCN) – CSA importers are not required to transmit the CCN in Field 45. The CSA importer may transmit 2CSA1 in this field instead of the 1 CCN.

133. CSA importers continue to use all existing B3 entry types to report accounting data to the CBSA. There is no unique B3 entry type for CSA importers, other than the X-type, used for adjustments (see Section 6 of this memorandum).
134. When transmitting a multiple-line B3, the CSA importer does not have to provide a cross-reference between the invoice and the B3 line with the electronic CADEX or UN/EDIFACT accounting transmission. To comply with the CADEX message map, input page one, line one.

### Statistics Canada Data Elements

135. Where the importer uses CSA clearance, a cargo control document is not required for the report of goods. Therefore, information such as the elements listed below may not be readily available to the CSA importer for the accounting of the goods. Collection of this data, however, remains a requirement to sustain Canada's obligation under a Memorandum of Understanding with the US Census Bureau. Therefore, in the design of their business processes for CSA, importers need to establish a method to provide the following B3 data elements:

- (a) Mode of Transport (Field 7),
- (b) Port of Unlading (Field 8),
- (c) United States Port of Exit (Field 15),
- (d) Freight (Field 19),
- (e) Weight in Kilograms (Field 23),
- (f) Carrier Code at Importation (Field 46).

136. CSA importers can continue to transmit actual data in these fields. However, they may present this information in a similar fashion as freight charges (Field 19):

- (a) The CSA importer should consider historical trends when determining this information.
- (b) Significant business changes should also trigger a review of this information.
- (c) CSA importers should allocate this information reasonably over their population. For example, if half of a CSA importer's imports crossed by air, and the other half by highway, the CSA importer could allocate the mode of transport based on this percentage.
- (d) The CBSA should be asked to assist with this data allocation.

### Consolidated B3

137. Under the CSA program, there is an opportunity to consolidate accounting data transmissions to a certain degree. Most B3 header, sub-header, and line information will be required as described in [Memorandum D17-1-10, Coding of Customs Accounting Documents](#), but where fields such as the vendor name and classification number are the same, the importer can also choose to consolidate according to the following conditions:

- (a) All shipments of identical goods received during the accounting period can be consolidated.
- (b) Consolidation of shipments where SIMA applies is not permitted.
- (c) Header information must be the same or a new transaction is required.
- (d) Sub-header information must be the same or a new sub-header is required.
- (e) Line information must be the same or a new line is required.
- (f) **Direct Shipment Date** (Field 16) – the CSA importer can consolidate B3 sub-headers using one date of direct shipment, by converting invoice values to Canadian dollars, and completing currency code CAD (Canadian dollars) in Field 17. The invoice calculations using the correct rate of exchange for



the specific date of direct shipment are to be available to the CBSA on request. The earliest date of direct shipment is to be shown in Field 16.

- (g) **Release Date** (Field 20) – The release date field can be consolidated within the following guidelines:
  - (i) Shipments from a single accounting period can be consolidated;
  - (ii) Where shipments are consolidated, the earliest date of release must be completed;
  - (iii) In the case of commodities subject to seasonal rates of duty, separate release dates must be used, unless the higher rate of applicable duty is used for the entire consolidated B3. (This applies to some agricultural products.)

138. Although the option to consolidate B3 data is available to CSA importers, they are not obligated to do this, and may continue to transmit on a shipment-by-shipment basis, for example, for importations of goods that are subject to “within access” commitment tariff items.

### Changing the CSA Business Number

139. Where an incorrect BN is used to clear commercial goods and final accounting has not yet been accepted, the importer/broker is to request the BN change by submitting [Form A48, R.M.D. Correction](#), to the office of release. In addition, the acquittal status of the transaction must be updated in ACROSS as follows:

(a) If the incorrect BN was non-CSA and the BN should be CSA, the CSA importer or agent must also request, on the A48, that once the BN is changed, another release decision is made in ACROSS.

Otherwise, the CSA release transaction will be incorrectly reported as overdue.

(b) If the incorrect BN was CSA and the BN should be non-CSA, ACROSS will have automatically acquitted the incorrect transaction. As a result, the acquittal information must be removed before the change to the non-CSA BN can take place. Where the incorrect BN has also been used for final accounting, refer to [Memorandum D17-2-3, Importer Name/Account Number or Business Number Changes](#).

### Documentation Upon Request

140. A feature of the CSA program is to minimize requirements related to supporting documentation for reporting, accounting and adjustment of imported goods, except when requested by a CBSA officer. As discussed in Section 2 of this memorandum, the carrier may report goods for authorization to deliver by simply providing the required bar-code information. Further, given that the CSA importer is not required to provide interim accounting, the reporting and accounting for goods that are authorized for delivery could be paperless. Bar codes are presented to effect authorization for delivery and CADEX or UN/EDIFACT transmission is provided to account for the goods.

141. The CSA importer is not required to provide invoice information as described in [Memorandum D1-4-1, CBSA Invoice Requirements](#), but must do so on the request of a CBSA officer. An AMP may be assessed when the importer fails to provide information requested by a CBSA officer. While the requirement to submit supporting documentation for report, accounting or adjustment is reduced, the CSA importer must have audit trails between source documents, the accounting for goods, adjustments to original accounting information and revenue amounts.

### Role of the Agent

142. A broker or agent may transact business with the CBSA on behalf of an importer or owner, provided that the broker/agent has been authorized to do so. Additional information concerning the authority to act as an agent is provided in [Memorandum D1-6-1, Authority to Act as Agent](#).

143. In the CSA environment, although it is the responsibility of the CSA importer to identify the requirement for accounting of imported goods to trigger accounting, the importer may appoint a broker/agent to complete and transmit the related accounting (B3) information to the CBSA. Further, where such services are offered, a broker/agent may be appointed on behalf of the CSA importer to prepare and transmit the RSF, TCP information and automated X-type adjustments. The CSA importer may also use a broker/agent to prepare and submit documents required at the time of report, for example, when a non-CSA service option is used (e.g.

Pre-Arrival Release System (PARS) or RMD).

### **Account Security**

144. Shipments imported into Canada by a CSA importer are subject to the security provisions described in section 35 of the Act for release before payment privileges. Where more than one account security number is used for release and accounting, the CSA importer must ensure that all corresponding revenue amounts are reported on a single monthly RSF (E648). Procedures for the importer or broker to post security are described in [Memorandum D17-1-5, \*Registration, Accounting and Payment for Commercial Goods\*](#).

145. Where goods are released before payment under the provision of paragraph 32(2)(b) of the Act and authorized for delivery, the CSA importer becomes liable for payment of duties when the goods are received at the place of business of the CSA importer, owner or consignee.

146. The CSA importer pledges security on Part II of the application. Where the account security of a broker is pledged, written authorization from the broker must accompany Part II of the importer's application. The pledged account security number may be changed only in consultation with the CBSA.

## **SECTION 5 - REVENUE REPORTING**

### **Revenue Summary Form (RSF)**

147. Authorized CSA importers are responsible for the self-assessment and reporting of most CBSA-related revenues. The DN and SOA are eliminated in the CSA environment. While the CSA importer continues to transmit B3 accounting data, the related revenue amounts are not generated on the DN and SOA. Instead, the CSA importer self-assesses and summarizes revenue amounts. The summarized amounts are reported by financial line object code on a single monthly report called an RSF. Line object codes may be found in Appendix F.

148. Although the RSF is transmitted electronically as outlined in the ECCRD, a sample of the RSF is available on the CBSA website.

149. The RSF is used to report revenue payable in respect of the importation of commercial goods by the CSA importer. This report includes the amounts related to the accounting for goods, adjustments, refunds, drawback, interest, penalties and other CBSA assessments. Importers should ensure that all transactions have been accepted by the CBSA before including corresponding revenue amounts on the RSF. The RSF is used to report both:

- (a) Amounts payable by the importer such as:
  - (i) duties and taxes on original B3 transactions;
  - (ii) additional duties and taxes owing as the result of an adjustment (X type and B2); (iii) SIMA;
  - (iv) interest;



- (v) late-transaction payment interest; and (vi) penalties.
- (b) Amounts due to the importer such as:
  - (i) refunds;
  - (ii) drawback; and (iii) interest.

150. Both the importer name and 15-digit BN/RM are completed on the RSF to identify the specific CSA importer for which revenue amounts are being reported. Where a business division or a group of divisions have submitted separate Part II applications to participate in the CSA program, separate RSFs are prepared using the 15-digit BN/RM.

151. Only one monthly RSF is prepared for the CSA importer. Therefore, where more than one account security number has been used for release and accounting purposes, the importer must ensure that the related revenue amounts are included on the single monthly RSF.

152. The CSA importer must submit an RSF to the CBSA each calendar month and make payment of the respective amount reported on the RSF at a financial institution. Both the RSF transmitted to the CBSA and remittance at the financial institution, are required on or before the last business day of the month. The RSF month is the month in which the respective payment is made. For example, amounts reported on the “June RSF” must be paid by the last business day of June. Total amounts paid at the importer’s financial institution during a month must agree with the total payment amount reported on that month’s RSF.

153. The period start and end dates should reflect activity captured on that month’s RSF. The period start and end dates reported on the RSF may change from month to month to accommodate the business cycles of the CSA importer. The period end date reported on the current month RSF should reflect the last day that B3 records, for which the respective revenue amounts are reported on that RSF, are transmitted to the CBSA and received in accepted status.

154. However, the period start date of one RSF cannot be earlier than the period end date of the previous RSF. Therefore, the CSA importer may choose to default to the start and end dates of the payment period in these fields (see “Payment Period” in paragraphs 116-117 for more details).

155. If the first RSF the Importer transmits in the CSA environment is NIL, the period dates of that first NIL RSF must be earlier than the CSA participation start date. See “Reporting a NIL/Credit RSF” below in paragraph 183 for more details. Note the period start date of the first RSF with data (i.e. not nil) must not be earlier than the CSA participation start date.

156. The value for duty (VFD) of current-month transactions includes both original and adjusted B3 accounting data for which related revenue amounts are included on that RSF. The VFD in the RSF includes both B3 and X type revenue. This amount in the header of the RSF is to be rounded to the nearest dollar, without cents or decimals.

157. A field on the RSF described as “Filing ID” is used when a third party prepares the RSF on behalf of the CSA importer and is completed with the five-digit account security number of that third party.

### **Submitting the RSF**

158. A single monthly RSF is prepared for each CSA importer and must be provided to the CBSA, in electronic format, on or before the last business day of the month.

159. Where a complete and error-free RSF is not received by the last business day of the month, a penalty will be assessed against the importer for failure to provide the RSF to the CBSA within the prescribed time. Note that the penalty assessed for failure to provide an RSF within the specified time frame is unique to the CSA and is separate from late accounting and late payment penalties.

### **Amounts Reported on the RSF**

160. The CSA importer is generally responsible for self-assessing and calculating amounts for reporting on the RSF. Amounts owing to the CBSA are reported on the RSF as debits and amounts due to the importer are reported as credits. The credit amounts offset the debit amounts and the remaining balance is payable at a financial institution.

RSF (CAD)	
Debits	Credits
\$10	
\$100	\$60
\$40	
Total payable	\$90

161. Subsection 74(8) of the Act allows CSA importers to apply, within four years from the date of accounting, the amount of a refund to which they are entitled, to the payment of an amount for which they are liable under the Act. This provision provides for the self-assessment of refund amounts on the RSF and, as a result, the CBSA does not issue refund cheques to CSA importers.

162. Unlike the DN/SOA, individual transaction numbers transmitted to the CBSA during the RSF period are not reported on the RSF. Instead, revenue amounts are totaled and reported on the RSF by line object code. For example, all duty payable for the accounting of goods during the RSF period is added and reported as a single amount. Similarly, other revenue amounts, both debits and credits, are added by line object code.

163. While transaction numbers are not listed on the RSF, the CSA importer must have the internal controls and audit trails in place for audit purposes to retain the details of the transaction number, dates, VFD and corresponding revenue amounts electronically. Audit trails must also include source documents in relation to the receipt and payment for the goods, CBSA accounting, adjustments, revenue reporting and payment of duties and taxes.

164. In accordance with provisions of the [Customs Act](#), the [Excise Tax Act](#) and the [Customs Tariff](#), amounts paid as goods and services tax (GST) at the time of accounting are generally not refunded. These amounts are recovered through an importer's GST input tax credit. Accordingly, GST amounts are not included as a credit on the RSF.

165. An exception to reporting GST as a credit on the RSF is where a clerical error related to the amount of GST reported on a B3 is corrected within the same RSF month. In this situation, the importer transmits an Xtype adjustment within the same period to adjust the GST. When the adjustment is accepted, the amount of GST may be reported as a credit on the RSF against line object code 49129 (GST – credit for current month corrections only). The amount of GST reported on the original B3 is also reported on the debit side of the same RSF against line object code 49121.

## Other Assessments – Customs Assessments

166. In addition to amounts self-assessed by the CSA importer, the RSF is used to report revenue amounts assessed by the CBSA, such as the following:

- (a) AMPs;
- (b) K23A, Invoice;
- (c) B2-1, *Canada Customs – Detailed Adjustment Statement* (DAS);
- (d) K9, *Notice of Ascertained Forfeiture* (where immediate payment has not been demanded at the CBSA office).

167. The customs assessment section on the RSF is used to report the amount assessed, assessment type, corresponding reference number and port code of the CBSA office that issued the assessment.

168. While most CBSA assessment amounts are reported in the customs assessments section on the RSF, an exception is the report of amounts assessed on a CBSA-initiated adjustment (form B2-1). In this case, the revenue is reported in the following manner:

- (a) Revenue amounts noted on the B2-1 are included in the revenue distribution section of the RSF as either a debit or credit, under the appropriate line object code. Therefore, the dollar amount of the B2-1 is not reported in the customs assessments section of the RSF.
- (b) The customs assessments section of the RSF is used only to report the assessment type (B2-1) and reference number (B2-1 transaction number). The port code is left blank. For example, where the CSA importer receives a B2-1 stating that additional duty (\$100 CAD), GST (\$750 CAD) and interest (\$50 CAD) is owing, it is reported on the RSF.

## Other Assessments – Interim Payments

169. Where the CSA importer chooses to make an interim payment of duties and taxes to avoid late-payment interest, the interim payment is reported on the RSF. The interim payment, an estimate of duties and taxes owing, is reported month one. The actual amount, once calculated, is reported the following month.

170. To avoid possible double payment, the interim payment is reported as a debit in the first month in the Interim Payments section of the RSF, and is reported as a credit in the “credits” section of the RSF in the second month. The credit amount of the second month cancels out the debit amount from the first month (the credit amount in the second month must exactly match the debit amount from the first month). Actual amounts payable are then reported as part of the regular duty and taxes owing in the “debits” section of the second month.

171. GST is not refunded by the CBSA. The report of a GST interim payment as a “credit” on the second month RSF is permitted only because the amount does not represent a refund, but is an offset against the actual amount paid on the same RSF. This situation applies only to the interim payment.

172. The examples below are provided to show reporting of interim and actual amounts on the RSF.

**Example 1 – The interim and actual amounts are equal.** Interim duty and GST are reported as a debit on the May RSF and the same amount is reported as a credit on the RSF for the second month (i.e. June). The actual amount of duty and GST calculated is reported in June in the respective fields for duty and taxes payable.

**Example 2 – The interim amount is overestimated.** Interim duty and GST are reported as a debit on the May RSF and the same amount is reported as a credit on the RSF for the second month (i.e. June). The actual amount of duty and GST calculated is reported in June in the respective fields for duty and taxes.

Note: credit interest is not calculated on duties and taxes overestimated.

**Example 3 – The interim amount is underestimated.** Interim duty and GST are reported as a debit on the May RSF and the same amount is reported as a credit on the RSF for the second month (i.e. June). The actual amount of duty and GST calculated is reported in June in the respective fields for duty and taxes. In addition, interest payable on the amounts of the duty and GST underestimated is reported as a debit on the June RSF. In this example, interest is payable on \$300 CAD (\$100 CAD duty and \$200 CAD GST) which represents the amount underestimated in the interim payment.

## Interest

173. In most situations, interest payable to, or owed by, the CSA importer under provisions of the *Customs Act*, *Customs Tariff*, *Special Import Measures Act* (SIMA) and regulations made under those acts, is self-assessed, calculated by the CSA importer and reported on the RSF. Situations where interest may apply include interest on the reconciled interim payment, late transaction payment interest, interest on adjustments, and interest for late payment of the RSF. Generally, interest is payable beginning the first day after the person becomes liable to pay the amount and ends on the day the amount is paid in full. For information about the application and calculation of interest, refer to the following memoranda:

- (a) [Memorandum D11-6-5, Interest and Penalty Provisions: Determinations/Re-determinations, Appraisals/Re-appraisals, and Duty Relief](#);
- (b) [Memorandum D14-1-3, Re-determinations and Appeals Under the Special Import Measures Act](#);
- (c) [Memorandum D17-1-5, Registration, Accounting and Payment for Commercial Goods](#);

Interest is calculated on a compounded daily basis. There are two interest rates applied in accordance with the *Customs Act* and the *Customs Tariff*, depending on the nature of the situation:

1. Prescribed rate: The average annual rate of interest on 90-day Treasury bills in the first month of the preceding quarter.
2. Specified rate: The sum of the prescribed rate plus six percent per year.

[Interest rates](#) can be found on the CSBA website.

174. To calculate interest, the date of payment or duty paid date is the date of remittance to a financial institution, not the date on which the related RSF is transmitted to the CBSA.

175. Interest resulting from the underpayment of an interim payment, late transaction payment and late payment of the RSF is calculated at the specified rate. Interest on adjustments is calculated at the prescribed rate.

## Interest on Adjustments

176. Interest payable to or owed by the CSA importer that results from an adjustment is reported on the RSF as a credit or debit. This includes interest related to self-adjustments, re-determinations, further re-determinations, and duties relief provisions.

177. Where the adjustment to an original accounting declaration of the CSA importer is submitted using the X-type automated entry, the decision date is the date of the respective entry-acceptance message. Where the adjustment is submitted on Form B2, the decision date is the date of the respective DAS.

178. Section 80 of the Act stipulates that interest granted as the result of a refund applies only on the 91st day after the day an application for the refund is received by the CBSA. However, for a CSA importer, this

should rarely occur because the importer does not have to wait for a cheque to be issued from the CBSA. Instead, the importer reports the refund amount on the RSF in the same month that the X-type entry is accepted in CCS.

### **Late Payment Interest Amounts**

179. In accordance with subsection 33.4(1) of the Act, late-payment interest is payable when duties and taxes are not paid by the due date. Late-payment interest will not be automatically calculated by the CBSA. Where a payment of duties and taxes is late, the respective interest amount is to be self-assessed and reported on the importer's RSF.

180. The amount of late-payment interest assessed by the CSA importer is calculated using the specified rate, on the amount of the outstanding balance, for the period beginning on the date after payment was due to the date payment is made. The date of payment is identified by the date on which the importer's designated financial institution received the related CSA remittance.

181. The due date for payment of duties by the CSA importer is determined by the date the imported goods are released/received at the place of business of the importer, owner or consignee. Payment of duties and taxes for high value shipments released/ received by a CSA importer between the 19th of one month and the 18th of the next month is due on the last business day of that second month.

### **Waiver of Interest**

182. In the following circumstances, the interest amount related to goods imported by the CSA importer may be waived and does not have to be reported on the RSF.

- (a) On late payment of a B3, interest is waived when interest on the duties, taxes and penalties is less than \$5 CAD.
- (b) For adjustments, interest is waived when interest on the duties, taxes and penalties is less than \$5 CAD.
- (c) Late-transaction payment interest may be waived where the CBSA authorizes the waiver or cancellation of the late accounting penalty.

**Note:** All calculations that relate to the interest amount must be made to determine if the waiver applies. The importer is to retain records to support the calculation.

### **Exceptions to RSF Reporting**

183. Generally, the CSA importer reports all CBSA-related revenue amounts on their monthly RSF. The exception to reporting CBSA assessments on the RSF is where payment must be made without delay rather than at month end. The following exceptions must be paid at a local CBSA office without delay:

- (a) payment of a collection notice;
- (b) service charges such as an inspection fee collected on behalf of OGDs; (c) a cash deposit requested with [Form E29B, Temporary Admission Permit](#); and (d) a monetary amount calculated as a term of release for seized commercial goods.

### **Reporting a NIL/Credit RSF**

184. The requirement to submit or transmit a monthly RSF is mandatory even in circumstances where the net amount is zero or there is a credit amount due to the importer. A NIL report for the section called "Debits" is accomplished by reporting "0" for VFD current month transactions, Duty-49010 (original transactions) and

GST-49121 (original transactions). The other RSF sections remain optional if the “Debits” section is NIL. A credit amount may be carried over to the RSF of the following month.

### **Changes to the RSF**

185. Only one RSF for each CSA importer (as identified on Part II of the CSA application) is to be on file with the CBSA for any given month. Once sent, an RSF cannot be deleted, rather, it can only be changed. Where a change is required to RSF information previously submitted to the CBSA, a replacement RSF, complete with all applicable data elements, must be presented or transmitted.

186. Where changes are made to revenue amounts reported on the original RSF, importers must adjust their payments appropriately and notify their assigned CBSA officer. A fundamental rule in the change process is that the amount payable reported on the RSF must match the total amount of payments remitted for the same RSF period.

### **Payments at Financial Institution Prior to Due Date**

187. The CSA importer is allowed only one RSF on file with the CBSA for each calendar month. The RSF amount must be paid at a financial institution on or before the last business day of the same month. Where CSA importers might incur additional interest charges on amounts owing before the RSF is submitted and paid, they may make supplementary payments at their financial institution before month end. Where more than one payment is made toward an RSF, the sum of the payments is expected to equal the final RSF total, and must be received at the financial institution by the last business day of the month.

#### **RSF Total Payment = Total Remittance(s) to Financial Institution**

188. In some instances, clerical or calculation errors might result in an amount payable reported on the monthly RSF that is different from the actual amount paid at a financial institution. In these instances the CSA importer should contact their assigned CBSA officer for guidance on how to correct the error.

### **Remittance at a Financial Institution**

189. Under the CSA program, revenue amounts owing to or by the CSA importer are reported to the CBSA once a month on the RSF and the total amount payable reported on the RSF is remitted at a financial institution. The date of remittance at the financial institution is the duty-paid date for the goods. The financial institutions where the RSF amount may be paid are described in section 3.5 of the Act, which provides authorization for payment at:

- (a) a bank;
- (b) a credit union;
- (c) a corporation authorized by an Act of Parliament or of the legislature of a province to carry on the business of offering its services as a trust to the public; or
- (d) a corporation authorized by an Act of Parliament or of the legislature of a province to accept deposits from the public and that carries on the business of lending money on the security of real property or immovables or of investing in mortgages or hypothecary claims on immovables.

190. Payment of the total amount payable reported on the RSF shall be made at a financial institution operating in Canada, by using form BSF645, *Customs Self-Assessment – Remittance Voucher - CSA*. The vouchers are printed by the CBSA with the importer’s BN and address. These vouchers can be obtained through the importer’s assigned CBSA officer.



**Note:** The original vouchers provided by the CBSA officer must be used because the ink or toner must be magnetized. **Specifications for electronic transmission of the remittance are negotiated between importers and their financial institutions.**

## **ePayment**

191. ePayment will provide an alternative to in-person payments at the bank. CSA importers are able to make electronic payments via EDI or online banking through participating Canadian financial institutions. For more information regarding ePayment, please contact your CBSA officer.

## **Summary of CSA Revenue Reporting and Remittance Process**

192. To summarize the CSA revenue reporting and remittance process:

- (a) The RSF is transmitted to the CBSA once a month to report revenue amounts, and is due on or before the last business day of the month. The date on which the RSF is submitted to the CBSA is not the dutypaid date.
- (b) Remittance of the RSF total payment amount is made at or transmitted from a prescribed financial institution and is due on or before the last business day of the month. The date of remittance at the financial institution is the duty-paid date.

193. When the total RSF amount has not been paid by the last business day of the month, a C336 penalty will be issued. The penalty amount will be \$100 CAD per instance. Failure to remit payment directly to a financial institution will result in a C251 penalty assessment of \$100 CAD per instance.

194. In some situations, importers may make more than one CSA remittance at their designated financial institutions during a single RSF period. Multiple remittances are not to be made for day-to-day payment of duties and taxes. The intent of permitting more than one remittance is to offer the importer a way of paying amounts that are subject to interest and have a due date before the RSF payment is made at a financial institution. Examples of such situations are payment of a penalty or a Detailed Adjustment Statement (DAS) that is issued by the CBSA. While multiple remittances may be made at the importer's financial institution, only one RSF can be on record with the CBSA for the month.

195. The total amount of the remittances made at a financial institution must equal the "Total Payment" amount reported on the RSF. When more than one remittance is made during the month, the amounts of the multiple remittances paid during the RSF period must add up to the total payment amount that is reported on the RSF.

196. A CSA importer may choose to submit the RSF and payment before the last business day of the month, depending on the importer's business cycle. In addition, the importer may choose to prepare and submit the RSF before making the payment. For example, the importer may submit the RSF on June 25 but make the payment on June 30. An importer who discovers that the amount reported on the June 25 RSF is incorrect before making the June 30 payment must provide a corrected RSF to the CBSA by June 30 to replace the June 25 RSF.

## **CSA Accounting and Payment Periods**

197. The following are the accounting and payment periods for a CSA importer:

- (a) **RSF Period** – The RSF period is used to reflect activity captured on that month's RSF. This is identified on the RSF by the Period Start Date and Period End Date.

- (b) **Accounting Period** – The accounting period selected by the CSA importer establishes when the accounting for imported goods is due. Where accounting is late, a late-accounting penalty applies.
- Option 1 – goods released/received in one month shall be accounted for by the 18th day of the following month.
- Option 2 – goods released/received from the 19th day of a month to the 18th day of the following month (month two) shall be accounted for by the last business day of month two.
- LVS – goods released/received in one month shall be accounted for by the 24th day of the following month.
- (c) **Payment Period** – The payment period establishes when payment of duties on imported goods is due. Where payment is late, late-payment interest applies.
- Duties on goods released/received from the 19th day of a month to the 18th day of the following month (month two) shall be paid by the last business day of month two.
- LVS – Duties on goods received in one month shall be paid by the last business day of the following month.
- (d) **RSF Due Date** – Where the RSF is submitted late, a late-RSF penalty applies.
- A complete and error-free RSF shall be submitted to the CBSA on or before the last business day of the month.
- (e) **Remittance at a Financial Institution** – Where the payment of the RSF amount is not made at a financial institution, a penalty applies for failure to remit directly at a financial institution.

## SECTION 6 – ADJUSTMENTS

### General Process Requirements

198. Corrections to original accounting declarations using the X-type entry are to be transmitted using existing CADEX records. Detailed information about the X-type B3, electronic formats are located in Appendix C of the CSA ECCRD.

199. Where a correction is made to an original accounting declaration, the importer is required to maintain an audit trail among the adjustment, source documents and the commercial books and records related to the importation.

### X-type Adjustment Methods

200. The X-type entry can be used to correct original accounting information using either one of two methods:

(a) Net Change Method: deducting on Line 1 (the negative line), only the information that was incorrectly declared on the original accounting document, and adding on subsequent lines (the positive line), the corresponding corrected information.

(b) Replace Entire Line Method: similar to a B2 adjustment, deducting on Line 1 (the negative line), the complete line of information that was declared on the original accounting document, “as accounted for”, and adding on subsequent lines (the positive line), the corrected line information “as claimed”.

**Note:** The X-type transaction will never appear in the paper format. Negative values, along with all the other numbered fields, are actually transmitted, using specific CADEX record types that are provided in the CSA importer ECCRD.

Amounts, including interest, owed to or by the CSA importer as the result of an adjustment, are reported on the importer’s RSF. Duties, GST and interest due to the CBSA are reported as a debit against the respective line object code. Duties and interest due to the importer are reported on the RSF as a credit against the respective line object code.



## Automated “X” Type Adjustment

201. In the CSA environment, self-adjustments to original accounting information and refund claims are submitted to the CBSA electronically. The format of the automated self-adjustment is similar to a B3 and is identified as an X-type.
202. Transmission of the X-type adjustment to the CBSA is through CADEX or UN/EDIFACT version 99B and is supported through CCS. Requirements of the electronic transmission of the X-type entry are detailed in the CSA ECCRD.
203. In the X-type transmission, negative values are used to remove original accounting information; positive values are used to replace the information. Changes may be made on a net basis, i.e. only adjusting the incorrect portion. Alternatively, changes can be made by removing the entire line that was in error, and replacing it with the correct data; either method is equally valid. The term “negative value” and the negative sign are used only to illustrate the concept of the X-type adjustment. When these values are actually transmitted to the CBSA, the appropriate coding specified in the ECCRD is used.
204. The X-type entry is used to self-adjust both corrections submitted under Section 32.2 of the Act and applications for refund submitted under subsection 74(1) of the Act. However, adjustments under Section 32.2 must not be combined with adjustments under Section 74(1) on the same X-type, i.e. adjustments resulting in a refund cannot be combined with adjustments resulting in an amount payable to the CBSA. For more information on adjustments, see [Memorandum D11-6-6, “Reason to Believe” and Self-Adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#). The X-type adjustment may also be used to self-assess and account for SIMA duties.
205. Exceptions to the electronic submission process (X-type entry) are:
  - (a) requests for downward adjustments of SIMA (see [Memorandum D14-1-3, Re-determinations and Appeals Under the Special Import Measures Act](#));
  - (b) adjustments relating to Tariff Rate Quotas (TRQs);
  - (c) a “true dispute” that is a re-determination request under Section 60 of the [Customs Act](#), or an appeal submitted to the Canadian International Trade Tribunal or the federal court (see [Memorandum D11-6-7, Importers’ Dispute Resolution Process for Origin, Tariff Classification, and Value for Duty of Imported Goods](#));
  - (d) drawbacks. These are also excluded from electronic adjustments. However, the revenue is reported on the monthly RSF, as declared on the Summary of Drawback Activity (see Self-assessment of Drawbacks below in paragraph 227 - 233).
206. The use of the automated X-type entry to transmit an adjustment of accounting information does not change legislative provisions that relate to the requirement to correct accounting information, or the authorities for and time limits of self-adjustments, re-determinations, further re-determinations, and refunds. Like nonCSA importers, CSA importers are expected to submit corrections, regardless of the value for duty. However, there are some changes in the CSA adjustment process, such as:
  - (a) Manner of Filing:
    - (i) Electronic X-type entry to transmit self-adjustments, refund claims, and voluntary SIMA payments; (ii) Paper B2, *Canada Customs – Adjustment Request* for SIMA, TRQs and disputes.
  - (b) Revenue Reporting and Payment – Amounts owing or due are reported on the RSF:
    - (i) Amounts due to the importer, including interest, are reported as a credit (no cheque is issued by the CBSA);

- (ii) Amounts due to the CBSA, including interest, are reported as a debit and the amount is included on the monthly RSF;
- (iii) Payment is made at a financial institution as part of the RSF total.
- (c) Notice of Decision:
  - (i) Entry acceptance message for X-type transmissions; (ii) DAS for B2 submissions.

### **Revenue Impact Reported on RSF**

207. The CSA importer reports all revenue impacts that result from the filing of an adjustment on the RSF regardless of the manner of or reason for filing – X-type entry or paper B2. Additional duties, taxes and interest owing to the CBSA are reported as a debit on the RSF and payment is remitted at a financial institution. Duties payable to the importer are reported as a credit on the RSF and CBSA will normally not issue cheques for amounts owing to the CSA importer. Given that GST is excluded from refunds made under CBSA legislation, GST amounts are not recorded as a credit. Importers who are eligible for a refund of GST should contact the Canada Revenue Agency tax services office nearest them for information about benefits available under the input tax credit system.

208. The amounts of additional duties and taxes owing or duties refunded are not to be reported on the RSF until the importer receives the notice of re-determination in keeping with the following guidelines:

- (a) Automated X-type Entry (Self-adjustment, refunds, voluntary SIMA payment) – The revenue impact is not reported on the RSF until the importer receives the systems-generated, entry-acceptance message. The date of the notice of re-determination is the date that the entry-acceptance message is transmitted.
- (b) Hard-copy B2 (Formal disputes, TRQs, downward SIMA amount) – The revenue impact is not reported on the RSF until the importer receives the Form B2-1, *Canada Customs – Detailed Adjustment Statement* (DAS). The date of the notice of re-determination is the date of the DAS.

209. In accordance with the Customs Accounting Document Error Remission Order, remission is granted when the amount of a bona fide error on any one CBSA accounting document results in an underpayment of an amount not more than \$7.50 CAD. When an adjustment of a single accounting document results in an amount owing of \$7.50 CAD or less, the CSA importer may take consideration of this remission and need not report the amount as a debit on the RSF. As with other revenue amounts substantiation of the amount is to be retained by the importer. Information about the Customs Accounting Document Error Remission Order is provided in [Memorandum D17-1-9, Remission of Underpayment Due to Customs Entry Error](#).

210. In accordance with subsection 3.3(1) of the Act and section 125 of the *Customs Tariff*, where the importer submits an adjustment and interest on the duties and taxes, and penalties are less than \$5 CAD, the interest is waived. In this case, the CSA importer is not required to report the interest waived on the RSF. However, all calculations that relate to the interest amount must be made to determine if the waiver applies. The importer is to retain records to support the calculation.

### **Notice of Decision**

211. During traditional B2 adjustment processing, an automated DAS is generated as notice to the importer of the CBSA's decision and to inform the importer of the right to appeal. However, where an X-type automated adjustment is processed, a DAS is not generated. Instead, the entry-acceptance message generated by CCS provides the notice of decision required by subsection 59(2) of the Act or section 60.1 of SIMA.

212. Where the CSA importer transmits an X-type adjustment, the date of the entry-acceptance message shall be used:

- (a) as the date of deemed filing for the purposes of meeting the time limits specified under section 32.2 of the Act or section 58 of SIMA;
- (b) to calculate the legislative time frames for requesting a further re-determination under section 60 of the Act or section 58 of SIMA.

### Completion of the “X” Type Entry

213. While the X-type automated adjustment is similar to a B3 transmission, there are some significant differences, as described in the CSA ECCRD, including the transmission of negative amounts and the completion of certain fields. The following codes are unique to the X- type entry transmission to accommodate the automated adjustment process:

- (a) **Field 4 (Office Number)** If the X-type adjustment is being transmitted to maintain audit-trail integrity and the adjustment revenue is not taken to account on the RSF (e.g. retro-active downward price adjustment for which there is no authorization for refund). Where this type of adjustment is transmitted, complete the field with code “0997”. Otherwise, complete this field with the control port office number.
- (b) **Field 6 (Payment Code)** is used to identify the adjustment type using one of the following codes:
  - (i) **Code A – Tariff Classification** To correct tariff classification. This code may be used when the correction results in an amount owing or a refund of duties
  - (ii) **Code B – Valuation** To correct value for duty. This code may be used when the correction results in an amount owing or a refund of duties.
  - (iii) **Code C – Tariff Treatment, except NAFTA** To correct origin where an incorrect tariff treatment was claimed at the time of original accounting. This code may be used when the correction results in an amount owing or a refund of duties.
  - (iv) **Code D – Tariff Treatment, NAFTA only** To correct origin where an incorrect tariff treatment was claimed at the time of original accounting, and the change is to or from a NAFTA (North American Free Trade Agreement) tariff treatment. This code may be used when the correction results in an amount owing or a refund of duties.
  - (v) **Code E – Other Adjustments** To correct an original accounting declaration where: - goods have suffered damage, deterioration or destruction; - goods were deficient in quantity; - goods were of inferior quality; - duties were overpaid or paid in error (e.g. clerical error, etc.); - an overage was discovered; - additional anti-dumping duties or provisional duties are payable (SIMA). **Note:** The “X” type is not to be used when the importer is claiming a downward adjustment for SIMA.

**Note:** Where the same goods are adjusted for more than one reason, a single code may be used in Field 6 of the X-type adjustment according to the following order: 1st - D, 2nd – B, 3rd – A, 4th – C, 5th – E
- (c) **Field 16 (Direct Shipment Date)** For consolidated adjustments, Field 16 is used to identify the release/ receipt date of the last (i.e. most recent) B3 in the period that is being adjusted. If the adjustment is against only one B3, enter the release/receipt date of the transaction being adjusted. **Note:** The date of direct shipment field is used to indicate the end date of the adjustment period; it is not the date the goods were shipped to Canada. Complete Field 16 using the following format: YYYYMMDD.
- (d) **Field 20 (Release Date)** For consolidated adjustments, Field 20 is used to identify the release/ receipt date of the first (i.e., oldest) B3 in the period that is being adjusted. If the adjustment is against only one B3, enter the release/receipt date of that transaction. Complete Field 20 using the following format: YYYYMMDD.
- (e) Completion of the following fields is optional and may be left blank when an automated adjustment is transmitted: mode of transport; port of unloading; carrier code at importation; vendor state code; vendor zip code; United States port of exit code; freight and weight.

214. The CSA importer is required to maintain the appropriate records and audit trails that relate to the accounting and subsequent adjustment of goods, revenue reporting and payment.

## Supporting Documentation

215. It is not necessary to provide supporting documentation at the time of the automated adjustment. However, in accordance with section 40 of the Act, the importer is required to maintain the appropriate records on file and make them available to the CBSA when requested.
216. CSA participants are required to maintain audit trails from the adjustment transaction to the source document that triggered the need for the change and from the adjustment transaction to the RSF that included the adjusted revenue.
217. Where the CSA importer fails to make information relating to imported goods available to the CBSA when requested, a penalty may be assessed. In addition, there is a specific SIMA-related penalty that may be assessed when the CSA importer fails to provide the detailed product description for a particular import when requested. A contravention may be assessed where the importer fails to respond to a written request.

## Consolidated Adjustments

218. An automated X-type adjustment may be submitted to adjust a single transaction or, alternatively, to adjust several transactions as a consolidated adjustment. Consolidated adjustments are those adjustments that cover more than one shipment.
219. Where a consolidated X-type adjustment transmission is used, the adjustment does not have to be directly associated with specific CBSA accounting transactions; however, the goods related to the adjustment must have been accounted to the CBSA and duty paid within the same calendar year (i.e., from January 1 to December 31). The X-type adjustment is not necessarily adjusting individual B3 information, but may be used to adjust blocks of accounting data, within legislated time frames. For example, where a correction to the tariff classification of goods imported within the year is required, each individual B3 does not have to be corrected. Instead, one X-type may be transmitted to deduct the total value of goods from the incorrect classification number and that value of goods added to the correct classification.
220. While the consolidated adjustment may be used to adjust accounting information over a period of up to one year, the CSA importer is still required to file a self-adjustment, request for re-determination, further redetermination or refund within the legislated time limits. For example, in accordance with section 32.2 of the Act, the CSA importer is required to correct a declaration of origin, tariff classification, and value for duty within 90 days of the date the importer has reason to believe that the original declaration is incorrect.
221. The following provides an illustration of the automated adjustment process for a consolidated adjustment transmission:

- (a) During the 2013 calendar year, the importer transmits the following accounting information to the CBSA:

<b>B3 Number</b>	<b>Tariff Classification</b>	<b>Value for Duty (CAD)</b>
1	1234.56.78.90	\$1,000
2	1234.56.78.90	\$5,000

3	1234.56.78.90	\$3,000
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- (b) In November, the importer realizes that goods of a VFD of \$1,500 CAD, accounted to the CBSA in June and August, were incorrectly classified under tariff classification number 1234.56.78.90 and are correctly classified under tariff classification number 3456.78.90.12. Using the CSA X-type adjustment transmission, the importer does not have to change each of the three accounting transmissions but can send one adjustment to identify the value of incorrect classification deducted and the value of correct classification added for the period.
- (c) The November RSF will reflect the revenue change resulting from the adjusted trade data, both added and deducted, including the effect on duties, taxes and interest. GST cannot be credited on the RSF, with the exception of clerical corrections submitted before payment or in the circumstances referred to in paragraph 141 (interim payments).

222. A consolidated X-type B3 should cover exactly the same issue (e.g. re-determination of tariff classification, re-determination of origin or re-appraisal of value for duty), or exactly the same commodity.

223. Several commodities may be adjusted on a single X-type if the issue is the same. For example, an importer can change the tariff classification of shoes, purses and boots all on one X-type.

224. Several issues may be adjusted on a single X-type. However, in this case, each individual commodity must be submitted under a separate X-type. For example, one X-type can be used to change the tariff classification, tariff treatment and value for duty of shoes alone on one X-type, while separate X-types would be required for similar adjustments to boots and purses).

### **GST Credits**

225. Only adjustments that are transmitted in the same or current RSF month due to clerical errors can be used to recover GST. The GST cannot be credited by the CBSA outside the current month. Instead, any credit of GST is claimed directly from the importer's Input Tax Credit.

226. CSA importers can combine more than one adjustment, each of which can be more than one line, on a single X-type entry (i.e. a "multiple-line"). However, adjustments under section 32.2 of the Act must not be combined with adjustments under section 74(1) of the Act on the same X-type, i.e. refunds cannot be combined with amounts payable to the CBSA. Consider the following example:

- (a) An importer needs to make the following corrections: \$100 CAD GST (original amount) \$80 CAD GST (correct amount) net -\$20 CAD; \$300 CAD (original) \$350 CAD (correct) net + \$50 CAD; \$200 CAD (original) \$270 CAD (correct) net + \$70 CAD.
- (b) Since the importer must segregate refunds and amounts payable to the CBSA, they must send two separate X-types as follows: First X-type (GST reduction) as follows: Line 1 -\$100 CAD GST (original) Line 2 + \$80 CAD GST (correct) net -\$20 CAD GST trailer total transmitted within current month: -\$20 CAD GST trailer total transmitted outside current month: \$0 CAD (since GST cannot be credited outside current month). Second X-type (GST payable) as follows: Line 1 -\$300 CAD (original) Line 2 + \$350 CAD (correct) net + \$50 CAD Line 3 -\$200 CAD (as entered) Line 4 + \$270 CAD (as claimed) net +70 CAD GST trailer total transmitted both within and outside current month: \$120 CAD.

### **Self-Assessment of Drawbacks**

227. Information on drawbacks can be found in [Memorandum D7-4-3, NAFTA Requirements for the Duty Drawback and Duties Relief Programs](#). There are some differences with drawback activity under the CSA program.

228. Drawback activity is not processed as an automated X-type entry. For CSA importers, the drawback program remains essentially unchanged, except that individual drawback claims (K32 or K32-1) are not submitted to the CBSA. In lieu of submitting individual claims, the CSA importer submits a new form called a [Summary of Drawback Activity \(SDA\), Form CBSA130](#).

229. The SDA summarizes details such as the claim number, authority and amount claimed for the RSF period. The SDA also identifies claims affected by the limitations imposed by Article 303 of the NAFTA and where this is identified, “satisfactory evidence” must be submitted with the SDA. A sample of the SDA and instructions on its completion are provided on our [website](#).

230. The total drawback claimed, as listed on the SDA, is included on the RSF of the CSA importer. The amount claimed on the RSF must match the amount calculated on the SDA for that RSF period. Filing time limits are linked to the RSF period in which the relevant drawback is claimed.

231. Although individual drawback claims are not submitted to the CBSA, CSA importers must continue to prepare their claims. The claims, as well as supporting documentation, certificates and schedules are to be retained by the importer and must be made available to the CBSA upon request, for verification.

232. Where a drawback repayment is necessary, the details will be included on the SDA and the amount of repayment is deducted from other drawback amounts claimed on that SDA. If the repayment exceeds the amount claimed, a negative will result. This negative amount is listed as a debit on the RSF, using the applicable drawback coding (e.g. 49019). Interest must be applied at the specified rate from the date of the credit of original SDA to the date of the repayment RSF. The CSA importer must retain appropriate records for verification.

233. When goods no longer qualify for relief under the Duties Relief Program and repayment of duties is required, the repayment must be included on the RSF. This will be listed as a debit on the RSF using the “duty on adjustments” coding (49010). Appropriate records are to be retained by the CSA importer for verification. Interest is applicable at the specified rate.

### **Self-Adjustment under SIMA or Surtax**

234. The X-type automated adjustment process may be used by the CSA importer to submit a voluntary amendment to pay additional anti-dumping, countervailing duties or provisional duties, in accordance with sections 3, 4, 5, 6, 7, or 8 of SIMA or surtax, in accordance with an Order in Council. In addition, the X-type entry may be used to correct clerical errors that have no revenue impact. As with other X-type automated adjustments, the entry-acceptance message generated by CCS will provide the notice of decision.

235. Code E, “Other Adjustments”, is completed in Field 6 (Payment Code) of the X-type transmission.

236. Requests for downward adjustment of anti-dumping or countervailing duties continue to be submitted to the CSBA on Form B2. For additional information, please refer to [Memorandum D14-1-3, Re-determinations and Appeals Under the Special Import Measures Act](#).

237. The applicable revenue owing as a result of a voluntary amendment are reported on the RSF as a debit against line object code 49011. Refunds of SIMA duties that are the result of a re-determination submitted on Form B2 are reported on the RSF as a credit against line object code 49018.

### **Self-Adjustment of Preferential Tariff Treatment**



238. The automated X-type adjustment is used to transmit a correction related to a preferential tariff treatment. In these cases, adjustments must relate the original accounting transaction and line number of the importations involved. The original accounting transaction number is required in Field 24 (previous transaction number) and in Field 25 (previous transaction line) of both line one and line two. For consolidated adjustments that relate to a preferential tariff treatment, the original transaction number and line number of the earliest transaction being adjusted is used to complete Fields 24 and 25.

239. The RSF revenue reporting and remittance process for origin is the same as other automated selfadjustments. Supporting documentation such as a certificate of origin is required, but does not need to be submitted with the X-type adjustment unless requested by a border services officer.

### **Tariff Rate Quotas**

240. To ensure that imports of a TRQ “within access commitment tariff item” are classified correctly, adjustments relating to TRQ products require individual review by the CBSA. These adjustments must continue to be submitted to the CBSA on Form B2, Canada Customs – *Adjustment Request*, with supporting documentation.

## **SECTION 7 - COMPLIANCE**

### **Obligations**

241. Based on CSA requirements found in the Part II application:

- (a) The CSA importer is required to establish a new release date and be able to provide supporting documentation for the company's receipt date(s), which replaces the border release date; (b) The CSA importer is required to use an “accounting trigger” for accounting to the CBSA;
- (c) The CSA importer is required to perform a monthly sweep to identify and account for open invoices and receipts not captured by the trigger;
- (d) The CSA importer is required to implement a mechanism to differentiate between imported goods and domestic shipments; foreign versus domestic vendors;
- (e) The CSA importer is required to make adjustments for any trade data previously accounted for, that requires a correction when additional or subsequent information is received;
- (f) The CSA importer is required to notify the CBSA when there are changes to their Trade Chain Partners (TCP). The CBSA shall be notified when there are changes to an importer’s United States or Mexico vendor list or direct shipped domestic consignee list;
- (g) The CSA importer is required to make electronic transmissions for the following: i) "X" type adjustments ii) Trade Chain Partners (TCP) updates  
iii) CSA Revenue Summary Form (RSF)

### **First Validation and Subsequent Revalidation**

242. The **first validation review will usually be initiated within 12** months of the CSA importer having begun operations within the CSA environment. It is necessary for the CBSA to validate the importer’s application details and to verify that the approved CSA importer is knowledgeable about the operational requirements of the program.

243. To ensure that a CSA participant maintains good standing in the CSA importer program, a CBSA officer will validate the participant regularly. This process will validate that the CSA-approved importer is



fulfilling all CSA obligations and that the client remains low risk. If areas of non-compliance are identified, the CBSA officer will determine if an action plan is required.

244. **Subsequent re-validations will usually be initiated 4 years** from the date the final validation report is sent to the client. In the event the CBSA officer has any concerns or if there are any major changes to client activity (i.e. new service provider, new operating systems), a revalidation will be considered prior to the four year requirement and will be initiated within 12 months of the changes having taken effect.

The re- validation process will ensure program compliance by:

- ☐ Conducting a risk assessment
  - Verifying that all CSA obligations continue to be met;
  - Examining systems and audit trail capabilities;
  - Reviewing the reconciliation of revenues; ☐ Administering an action plan if warranted; and ☐ Applying AMPS if non-compliance is identified.

## Monitoring

245. After an importer has been issued a CSA authorization and begins to operate within the CSA environment, periodic monitoring may be conducted by the CBSA. This process will help maintain the general level of compliance of CSA importers with the CBSA's program legislation and related requirements.

## Post Incident Analysis (PIA)

246. The CBSA may conduct a Post-Incident Analysis (PIA) following an incident that may affect a member's program eligibility (as listed in paragraph 10). A letter of notification will be sent to the program member when a PIA has been initiated. The letter will state the reason for the PIA and request the member's participation.

247. The purpose of a PIA is to assess compliance with program eligibility requirements following an incident. A PIA will not be conducted at the request of another program or agency without grounds directly rooted in CSA program policy.

The PIA will seek to:

- (a) identify the source of the incident;
- (b) assess the member's response and cooperation with customs regulations and law enforcement (including self-reporting); and
- (c) ensure the implementation of proactive measures to prevent future incidents.

248. At the discretion of the CBSA, membership benefits, including access to FAST lanes entering Canada, may be maintained or suspended throughout the duration of a PIA depending on the severity of the incident.

249. The outcome of a PIA may consist of:

- (a) an action plan to outline corrective measures in response to the incident; and/or (b) suspension or cancellation of program membership.

If the program member gives an unsatisfactory explanation as to the possible cause(s) of the incident, fails to respond effectively to the incident, and/or is unwilling or unable to participate in a PIA, then program membership may be suspended or cancelled at the discretion of the CBSA.

250. A letter will be sent to the program member when a PIA has been concluded. The letter will state the outcome of the PIA and will provide an effective date for the CBSA's decision. A CBSA decision affecting CSA program membership as a result of a PIA is subject to appeal.

## Action Plans

251. An Action Plan constitutes a mutual agreement between the importer and the CBSA. Action Plans are administered to resolve specific incidents of non-compliance and do not necessarily result in an automatic suspension or cancellation of a CSA authorization. Action plans are created to formally document identified compliance issue(s), provide a means by which to resolve the issue(s) as well as provide support until such situations are corrected.

252. Action Plans may be created for issues of non-compliance which fall under either section 10.6(1) (suspension from the program) or 10.6(2) (cancellation/removal from the program) of the AIGPDR. Alternatively, a CBSA officer may create an action plan to assist the importer applicant in meeting the requirements necessary for the issuance of a CSA authorization.

253. An Action Plan may be instituted for a period of up to six months, however should the importer feel they require additional time within which to address or correct the issue(s) they may make a written request for an extension of time.

254. Should an importer feel that an Action Plan is not warranted, the importer should contact the Manager of the CSA Importer Program. It is important to note that an action plan cannot be appealed as it is an interim measure to aid a client with compliance issues. If a client does not follow through with the required corrective actions their CSA authorization may be suspended or cancelled. Extension requests and action plan inquiries can be made to the following:

Customs Self-Assessment  
**Attention: Manager, CSA Importer Program**  
 Canada Border Services Agency  
 P.O. Box 7000, Station A  
 Mississauga ON L5A 3A4

## Penalties

255. Importers who do not comply with the requirements of the CSA program may be subject to penalties under the Administrative Monetary Penalty System (AMPS). CSA importers are not exempt from other non-CSA penalties that may also apply. More information on AMPS is available in [Memorandum D22-1-1, Administrative Monetary Penalty System](#).

## ADDITIONAL INFORMATION

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.

## **APPENDICES**

### **APPENDIX A CUSTOMS SELF-ASSESSMENT OFFICES**

#### **Importers**

Mailing Address:  
Customs Self-Assessment  
Canada Border Services Agency  
P.O. Box 7000, Station A  
Mississauga ON L5A 3A4

#### **Courier or in Person**

Customs Self-Assessment  
Canada Border Services Agency  
1980 Matheson Boulevard East  
Mississauga ON L4W 5R7

#### **Carriers**

Customs Self-Assessment/FAST Carrier Compliance  
Canada Border Services Agency  
55 Bay Street North, 6th Floor  
Hamilton ON, L8R 3P7

**For further information on the CSA program, or any other CBSA-related issues, please contact:  
Border Information Service (BIS)**

Calls within Canada 1-800-461-9999 (English)  
(toll-free service)  
TTY within Canada 1-866-335-3237  
Calls outside Canada 204-983-3500  
(Long-distance charges apply) 506-636-5064

### **APPENDIX B LOAD SPECIFICATIONS FOR VENDORS AND CONSIGNEES**

As part of the CSA application and approval process, importers must submit an inventory of their trade chain partners to CBSA, as follows:

A list of all United States and Mexico vendors and domestic direct ship consignees must be submitted to the CBSA with the Part II, Books and Records, of the application process. If significant volumes are to

be submitted, it is recommended that a test file be forwarded to check for file layout accuracy, before submitting the entire file.

A complete file must be submitted to the CBSA and approved at least six weeks before the CSA start date.

The TCP list must be submitted on a CD-ROM or USB key and must follow the specifications below.

### Media Specifications

**It is important that the media submitted conform to the media specifications outlined below.**

Submissions that do not conform to the specifications cannot be uploaded to CBSA systems and will be returned to the applicant. This may lead to delays in the application and approval process.

**If a CD-ROM or USB key is being submitted,** please indicate in writing on the CD-ROM or USB key the name of your business, and the name/source of the file.

Also, the CD-ROM or USB key **must:**

- be compact disk recordable, CD-R (i.e. write once);
- have a disk density of either 640 MB or 700 MB; and,
- be properly closed.

### Flat File Specifications

**It is important that the information provided on CD-ROM or USB key conform to the flat file specifications outlined below.** Only flat files in fixed length records with a .txt extension can be accepted by the CBSA and uploaded into CBSA systems. Submissions that do not conform to the specifications and cannot be uploaded to CBSA systems will be returned to the applicant. This will lead to delays in the application and approval process.

CBSA will not manipulate submissions to conform to the flat-file specifications. Should corrections or updates to submissions be required, the CBSA cannot accept them by e-mail.

### Specifications

Flat files consist of the following:

- a header record;
- data records; and,
- a trailer record.

All fields must be **left aligned**.

### Header Record

The file must begin with a header record, which must be 450 bytes (i.e. 450 characters, including spaces). All the fields listed below are mandatory at the specified length. Complete the header record with a hard return (i.e. press 'enter').

Field	Data Element	Length	Specifications
1	Record Identifier	2 numeric	Must be '00'
2	Business Number	9 numeric	The 9-digit business number of the CSA importer.

3	Filler	439 spaces	439 blank spaces
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**Example:** The header record should begin like this: 00123456789 and be followed by 439 blank spaces. **Do not fill with zeros.**

## Data Records

### Vendor and Direct-Shipped Consignee

Each line (i.e. each vendor or consignee record) must contain 450 bytes (i.e. 450 characters, including spaces). All the fields listed below are mandatory at the set length specified. Any unused characters must be spaces. (Do not input “0”s) At the end of each line, include a hard return (i.e. press ‘enter’).

Field	Data Element	Length	Specifications	Example
1	Record Identifier	2 numeric	Must be ‘02’ for consignee records Must be ‘03’ for vendor records	02 03
2	Business Number	15 alphanumeric	BN must be a recognized division of a CSA applicant. Must be nine digits, the identifier RM followed by four digits	123456789RM0001
3	TCP Type Code	2 numeric	Must be one of the following: 01 – Dunn and Bradstreet 02 – internal 03 – business number (CDN registered companies) 04 – internal revenue service United States 05 – SCAC # 06 – other	03
4	TCP Identifier	15 alphanumeric	Must be 15 characters (including spaces) Will accept number or letters. This must be unique and not duplicated.	12345 67890abcd
5	Address Line 1	30 characters	Must have at least two characters; At least one character must be numeric. Will accept punctuation and symbols. Must fill with spaces to equal 30 characters.	128 <sup>th</sup> St.
6	Address Line 2	30 characters	Will accept punctuation and symbols. Must fill with spaces to equal 30 characters.	Unit 88
7	City	30 characters	Must have at least two characters. Will accept punctuation and symbols. (e.g. St. John’s) Must fill with spaces to equal 30 characters.	New York
8	Province/State Code	2 alpha	For consignee records: A valid province is mandatory. For Vendor Records: If country code is “United States”, a valid state code is mandatory; If country code is not “United States” a two-character province/state code can be entered, otherwise it must be filled with two blank spaces.	AB NY

9	Country Code	2 alpha	For consignee records: Must = "CA" For Vendor Records: Cannot = "CA"	CA United States
10	Postal/Zip Code or other country postal code	10 alphanumeric	For consignee records: Must be valid postal code (no space in the middle) For Vendor Records: If country code is "United States" then a valid ZIP code is required. A five-digit ZIP code must be followed by five spaces and a nine-digit ZIP code cannot have the hyphen and must be followed by one space. If country code is not "United States", another country postal code can be entered, otherwise it must be filled with 10 spaces.	N9D7H4 12345 123456789 A1A1A1B
11	Business Name	175 alphanumeric	Must be at least two alphanumeric; Will accept punctuation and symbols. Must fill with spaces to equal 175 characters.	ABC Importing
12	Filler	137 spaces	Must fill with 137 spaces.	137 spaces

**The total record must be comprised of 450 characters- including spaces.**

### Trailer Record

The file must end with a trailer record, which must be 450 bytes (i.e. 450 characters, including spaces). **All the fields listed below are mandatory** at the specified length. Any unused characters must be spaces. **Do not** include a hard return at the end of the trailer record (i.e. **do not press 'enter'**).

Field	Data Element	Length	Specifications
1	Record Identifier	2 numeric	Must be "99"
2	Number of Records	9 numeric	The number of records in the file, including the header and trailer records. This number must have preceding zeros (e.g. 000000076)
3	Filler	439 blank spaces	439 spaces

**Example:** If you had 74 vendors and consignees in the file and, remembered to add the header and trailer records, the trailer would be 99000000076 followed by 439 spaces. **Do not fill with zeros.**

### Reasons for Rejection of Flat File Submissions

Submissions will be **rejected** if:

- The header record does not exist, is duplicated, or is found elsewhere in the file;
- The header record does not begin with '00';

The nine-digit BN is not valid with the CBSA, or is not a valid CSA importer;  
The header or trailer record does not have exactly 450 characters, including spaces;  
No vendor or consignee records exist (i.e. no data records were provided);  
The vendor/consignee records are not maximized to exactly 450 characters; The  
TCP identifier (Field 4) is duplicated;  
The postal code includes a space or is not a valid postal code;  
The data in each field are not left aligned;  
The trailer record does not begin with '99';  
The total record count does not equal the count in the trailer record, including the header and trailer  
records;  
The record count field is not nine digits (e.g. '000000076'); and/or There  
is a hard return after the trailer.



## APPENDIX C TRANSITION

1. The transition of an importer from traditional CBSA processes to the CSA environment is critical, and requires careful coordination between the CBSA officer, the importer, the service providers and the CBSA. In particular, the implications of the importer's CSA "start date" need to be clearly understood and applied. On the importer's CSA start date, transactions submitted to the CBSA with the 15-digit BN/RM of the CSA-approved importer are processed using CSA procedures and the processing of records in ACROSS and CCS will change. These changes include:

- (a) Release records are de-linked from accounting records for importers to trigger accounting from their internal business systems.
- (b) The five-day time frame for the accounting of commercial goods is discontinued and the CSA importer is to account within the time frames of CSA accounting option selected. An overdue release report is not generated for releases after the start date.
- (c) Accounting transmissions continue to be captured in CCS, but are not required to use the same transaction number as that used to effect release. Some accounting information may be consolidated.
- (d) The DN and SOA are not generated by the CBSA for goods accounted to the CBSA on or after the CSA start date. Revenue amounts related to goods accounted to the CBSA on or after the CSA start date are self-assessed by the importer and reported on the RSF, even if the goods were released before the start date.
- (e) Payment is not made to a CBSA office for goods accounted to the CBSA on or after the CSA start date, but is remitted through a financial institution specified by the CSA importer. Given that a SOA is generated for goods accounted to the CBSA before the CSA start date, payment of the final SOA is made separately to the CBSA using one of the payment methods listed in [Memorandum D17-1-5, Registration, Accounting and Payment for Commercial Goods](#). (This should occur only during the first month of transition to the CSA.)
- (f) Debit adjustments submitted before the CSA start date will be paid using one of the payment methods listed in Memorandum D17-1-5, while credit Adjustments will be refunded by offsetting the client account. If a residual credit remains after offsetting, a refund cheque will be issued to the importer. After the CSA start date, requests for self-adjustments and refund applications are submitted to the CBSA electronically by X-type adjustment. A DAS is not issued for X-type adjustments. The X-type entry acceptance message represents a notice of decision. In situations where the importer is required to submit a B2, an ACOR DAS is issued to provide a notice of decision. Where an amount is owing to the CBSA, it is reported as a debit on the RSF. Where an amount is due to the importer, the amount is reported as a credit on the RSF and a cheque is not issued by the CBSA.
- (g) Any B2-1s in process at the time of CSA conversion must continue to be paid using one of the payment methods listed in Memorandum D17-1-5 or by offsetting the client account. If a residual credit remains after offsetting, a refund cheque will be issued to the importer, even after the CSA start date. They cannot be paid or offset on the RSF. The comments section of the B2-1 will indicate whether or not it should be paid or offset on the RSF. If the reference to recording the B2-1 on the RSF does not appear in the comments section, the B2-1 cannot be paid or offset on the RSF.
- (h) After CSA conversion, any new B2-1 amount must be recorded under the debits or credits section of the RSF, under the appropriate line object codes. Similar to (g) above, if the comments section of the

B2-1 states that the amount must be reflected on the RSF, the amount shown must be paid or offset on the RSF unless the B2-1 is non-revenue or subject to the *Customs Accounting Document Error Remission Order*.

2. It is important to note that while most elements of the CSA importer's business with the CBSA will transfer to CSA processing on the start date, there could be some business activities that may require completion under pre-CSA processing. The following table is provided as a guideline to determine if a CBSA process is completed using a CSA or pre-CSA procedure. To determine the process environment that will apply, there are two key steps:

- (a) Identify the CBSA process, for example cargo reporting; release, accounting and payment, or adjustment.
- (b) Identify at what point during the specific process the importer's CSA start date occurred.

Customs Element	Status on CSA Start Date	Transition process
Cargo Reporting	Cargo not acquitted on or after the importer's start date.	Overdue cargo report is generated but tracers not issued. To avoid liability, carriers should obtain proof of delivery from the CSA importer during and after transition period.
Release	Release decision or request date is on or after CSA start date.	CSA process applies; i.e. date of release is the date the shipment is physically received at the importer/owner/consignee's place of business. ACROSS will not search for acquittal of release decision from CCS. Extended accounting time frames apply.
	Release decision is made before the CSA start date and release is not accounted for by the start date	Overdue release report will be generated but manually acquitted by the CBSA. Importer is to use CSA processes; i.e. account for, report revenue on RSF and pay through a financial institution. Note that these goods may have been physically received by the importer/owner/consignee before the start date and could fall outside the importer's business accounting trigger. Importer/ service provider is to ensure that these non-acquitted shipments transfer to the RSF remittance procedures.
Accounting	The B3 is in entry-acceptance status 250 before the CSA start date.	Pre-CSA process will occur and B3 will appear on a DN. Payment made using one of the payment methods listed in Memorandum D17-1-5.
	The B3 has not reached entry acceptance status 250 on or after the CSA start date.	CSA processing is to be used, i.e. The B3 will not appear on a DN. Related revenue amounts are reported on RSF and payment made through a financial institution.

Adjustment	Hard-copy B2 is submitted to the CBSA and inventoried before the CSA start date.	Pre-CSA processing is to be used; i.e. DAS will be issued, and payment made using one of the payment methods listed in Memorandum D17-1-5 (amount owing by importer) or by offsetting the client account. If a residual credit remains after offsetting, a refund cheque will be issued to the importer (amount due to importer).
	Hard-copy B2 submitted to the CBSA is inventoried on or after the CSA start date.	The B2 will be keyed into CCS but as an ACOR. DAS will be issued but related revenue amounts are to be reported by the importer on the RSF. Amounts owing to the CBSA are reported as a debit on the RSF and paid at a financial institution; amounts due to the importer are credited on the RSF.
	Automated adjustment (X-type B3) transmitted on or after the CSA start date	CSA processing will apply, i.e. no DAS issued, revenue amounts reported on RSF. Amounts owing to the CBSA are reported as a debit on the RSF paid at a financial institution; amounts due to the importer are credited on the RSF.

**APPENDIX D CSA ACCOUNTING OPTIONS****Accounting and Payment – High Value Shipments (exceeding \$2,500 CAD)**

	<b>Regular Commercial Stream (Non-CSA Importer)</b>	<b>CSA Option 1</b>	<b>CSA Option 2</b>
Release Period	N/A	In the context of providing B3 trade data, 1st to 31st day of Month One.	In the context of providing B3 trade data, 19th day of Month One to 18th of Month Two.
Trade Data Reporting (B3)	B3 is due within five business days of release (individually).	B3s for receipts/releases from 1st to 31st day of Month One, are due by 18th of Month Two.	B3s for receipts/releases from 19th day of Month One to 18th day of Month Two, are due by last business day (LBD) of Month Two.
Trade Data Reporting Trigger	B3 provided is based on the CBSA release date.	Three-way match between purchase order, receipt and invoice, or equivalent, in books and records. At least two monthly “sweeps” are recommended to account for goods not yet matched: a) by the 18th day of the month (for trade data reporting); and b) before the cut-off date (to ensure records within the payment time frame are included on the RSF). Same for LVS. Other processes are accepted where books and records cannot trigger; however, audit trails must be in place.	Three-way match between purchase order, receipt and invoice, or equivalent, in books and records. At least one “sweep” is recommended before the last business day of the month to ensure both trade data and payment are included on the RSF. Same for LVS. Other processes are accepted where books and records cannot trigger; however, audit trails must be in place.
Time to submit B3	Within five business days after release.	Min: 18 days or 12 business days Max: 49 days.	Min: 10 days or 8 business days. Max: 43 days
Payment Period and Monthly Payment	B3s accepted between 25th of Month One and 24th of Month Two are paid LBD of Month Two.	Receipts/releases from 19th of Month One to the 18th day of Month Two must be paid by LBD of Month Two.	Receipts/releases from 19th day of Month One to 18th day of Month Two must be paid by LBD of Month Two.

Billing Statement	Bill (SOA) is issued by the CBSA on 25th of Month Two for B3s accepted between 25th day of Month One and 24th day of Month Two.	Importer prepares billing statement (Revenue Summary Form - RSF) detailing duty and tax breakouts for all the B3 and adjustment data accepted between the importer's "period start" and "period end" dates. Submitted by LBD of the month in which	Importer prepares RSF detailing duty and tax breakouts for all the B3 and adjustment data accepted between the importer's "period start" and "period end" dates. Submitted by LBD of the month in which the payment period ends.
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	<b>Regular Commercial Stream (Non-CSA Importer)</b>	<b>CSA Option 1</b>	<b>CSA Option 2</b>
		the payment period ends.	
Interim Payment	N/A	Optional - Duty and tax estimates on goods that were received/ released but were not accounted for before the submission of the RSF.	Optional - Duty and tax estimates on goods that were received/ released but were not accounted for before the submission of the RSF.
Interim Payment Reconciliation	N/A	Interim payment is credited the following month. Actuals reported on RSF. This results in an offset. If actuals are greater than interim payment, difference is paid; if actuals are less than interim payment difference is credited.	Interim payment is credited the following month. Actuals reported on RSF. This results in an offset. If actuals are greater than interim payment, difference is paid; if actuals are less than interim payment difference is credited.
Interim Payment Interest	N/A	Difference noted above is subject to interest calculations (debit or credit). Interest is self-assessed by the importer and recorded on RSF.	Difference noted above is subject to interest calculations (debit or credit). Interest is self-assessed by the importer and recorded on RSF.

Late Accounting (B3) Penalty	HVS Transactions for goods (exceeding \$2,500) CAD, must be accepted by the CBSA within five business days after their release, or a penalty of \$100 CAD for each late transaction is assessed (Contravention C288).	HVS transactions from Month One, that are accounted for after the 18th of Month Two, will incur a late-accounting penalty (Contravention C244). Where compliance falls below 95 percent in a calendar year, the penalty is \$100 CAD per transaction below the compliance level (Contravention C246). During the calendar year, nil-rated warning notices will be automatically issued to establish the compliance rate. The penalty for late accounting that falls below the compliance level will be assessed and billed by the CBSA, and paid on the next RSF.	HVS transaction from the 19th of Month One to the 18th of Month Two, that are accounted after the LBD of Month Two, will incur a late-accounting penalty (Contravention C244). Where compliance falls below 95 percent on a calendar year basis the penalty is \$100 CAD per transaction below the compliance level (Contravention C246). During the calendar year, nil-rated warning notices will be automatically issued to establish the compliance rate. The penalty for late accounting that falls below the compliance level will be assessed and billed by the CBSA, and paid on the next RSF.
Late Transaction (B3) Payment Interest	Late-payment interest applies to B3 transaction amounts that are late and not paid by the SOA monthly payment due date, i.e. the	Any goods received/released between the 19th day of Month One to the 18th day of Month Two not duty-paid by the LBD of Month Two	Any goods received/released between the 19th day of Month One to the 18th day of Month Two not duty-paid by the LBD of Month Two
	<b>Regular Commercial Stream (Non-CSA Importer)</b>	<b>CSA Option 1</b>	<b>CSA Option 2</b>
	last business day of the month.	will incur late transaction payment interest. This will be self-assessed by the importer and added to the next applicable RSF.	will incur late transaction payment interest. This will be self-assessed by the importer and added to the next applicable RSF.
Remittance at a Financial Institution	N/A – (Payment for SOA issued the 25th day of Month Two is made directly to the CBSA cashier by LBD of Month Two.) Same for LVS.	Payment for RSF is required to be made directly at financial institution by LBD of the Month in which the related RSF is due. Same for LVS.	Payment for RSF is required to be made directly at financial institution by LBD of the Month in which the related RSF is due. Same for LVS.

Late-payment Interest	Late payment of the DN/SOA is assigned latepayment interest by the Customs Commercial System (CCS). It will automatically appear on the DN/SOA for the following month. Same for LVS.	If remittance for the RSF is made late by the importer, the importer will self-assess late payment interest. Same for LVS.	If remittance for the RSF is made late by the importer, the importer will self-assess late payment interest. Same for LVS.
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## APPENDIX E

### Accounting and Payment – Low Value Shipments (\$2,500 CAD or less)

	<b>Regular LVS Commercial Stream (Non-CSA Importer)</b>	<b>CSA Option 1</b>	<b>CSA Option 2</b>
Release Period	1st to 31st of Month One	1st to 31st of Month One (Same as HVS Option 1).	19th day of Month One to 18th of Month Two. (Same as HVS Option 2).



Trade Data Reporting (B3)	B3s for releases from 1st to 31st of Month One due by 24th day of Month Two.	Same as HVS Option 1. B3s for receipts/releases from 1st to 31st day of Month One, are due by 18th of Month Two.	Same as HVS Option 2. B3s for receipts/releases from 19th day of Month One to 18th day of Month Two, are due by last business day (LBD) of Month Two.
Time to submit B3	24 days or 17 business days.	Same as HVS Option 1. Min: 18 days or 12 business days Max: 49 days	Same as HVS Option 2. Min: 10 days or eight business days Max: 43 days
Payment Period and Monthly Payment	B3s accepted between 25th day of Month One and 24th of Month Two are paid LBD of Month Two.	Receipts/releases from the 19 <sup>th</sup> of Month one to the 18 <sup>th</sup> of Month Two, must be paid by LBD of Month Two.	Receipts/releases from the 19 <sup>th</sup> of Month one to the 18 <sup>th</sup> of Month Two, must be paid by LBD of Month Two.
Billing Statement	Bill (SOA) is issued by the CBSA on 25th day of Month Two for B3s accepted between 25th day of Month One and 24th day of Month Two.	Importer prepares billing statement (Revenue Summary Form - RSF) detailing duty and tax breakouts for all the B3 and adjustment data transmitted between the importer's "period start" and "period end" dates. Submitted by LBD of the month in which the payment period ends. (Combined with RSF for HVS.)	Importer prepares billing statement (Revenue Summary Form - RSF) detailing duty and tax breakouts for all the B3 and adjustment data transmitted between the importer's "period start" and "period end" dates. Submitted by LBD of the month in which the payment period ends. (Combined with RSF for HVS.)
Late-accounting (B3) Penalty	Any LVS transaction from Month One not accounted for by the 24th day of Month Two, is manually issued a late accounting penalty by the CBSA office on the 25th day of Month Two (Contravention C292).	ANY LVS transactions accounted for after the 18 <sup>th</sup> of month two, may incur a late accounting penalty. This will be assessed by the CBSA during verification and billed to the importer.	ANY LVS transactions accounted for after the LBD of month two, may incur a late accounting penalty. This will be assessed by the CBSA during verification and billed to the importer.
Late-transaction Payment Interest	Where a payment of duties is late (after the 24 <sup>th</sup> day of month two), Late-payment interest is manually calculated and issued by the CBSA office.	Where a payment of duties is late (after the LBD of month two), the respective interest amount is to be self-assessed and reported on the next RSF.	Where a payment of duties is late (after the LBD of month two), the respective interest amount is to be self-assessed and reported on the next RSF.

#### APPENDIX F LINE OBJECT CODES FOR RSF

Code	English description	Description française
49010	Import Duties	Droits d'importation
49011	Special Assessment	Cotisation spéciale

49017	Refund of Import Duties	Remboursement des droits d'importation
49018	Refund of Anti-dumping Duty (HQ)	Remboursement du droit antidumping (AC)
49019	Drawback of Import Duties	Drawbacks des droits d'importation
49020	Drawback of Anti-dumping Duty	Drawbacks du droit sur l'antidumping
49021	Drawback of Countervailing Duty	Drawbacks du droit compensatoire
49121	Goods and Services Tax/Harmonized Sales Tax – Revenue	Taxe sur les produits et services/Taxe de vente harmonisée — Revenu
49129	GST/HST – Credit for Current Month Corrections on Forms E648	TPS/TVH – Crédit pour les corrections au mois courant sur les formulaires E648
49177	Refund of Sales Tax on Importation	Remboursement de la taxe de vente sur les importations
49179	Drawbacks on Importation	Drawbacks sur les importations
49407	All Refunds on Importation Excise Tax	Tous les remboursements sur la taxe d'accise à l'importation
49409	All Drawbacks on Importation Excise Tax Except Gasoline	Tous les drawbacks sur la taxe d'accise à l'importation, à l'exception de l'essence
49412	Cigars	Cigares
49413	Cigarettes	Cigarettes
49414	Tobacco	Tabac
49416	Jewellery	Bijoux
49418	Lighters	Briquets
49420	Automobiles	Automobiles
49425	Automotive Air Conditioners	Conditionneurs d'air d'automoteur
49437	Excise Tax – Interest Payable on Refund and Drawback Claims (Importations)	Taxe d'accise — Intérêts à payer se rapportant aux remboursements et drawbacks (Importations)
49438	Wines – Less Than 7%	Vins – Moins de 7 %
49439	Penalty Amount Refunded	Remboursement sur les amendes
49441	Penalty for Late Accounting	Amendes pour comptes en souffrance
49442	Interest on Late Payment of Revenue Summary Form	Intérêt pour les paiements en retard des sommaires des recettes
49443	Interest on Late Payment of Individual Transactions	Intérêt pour les paiements en retard des transactions individuelles
49450	Wines - More Than 7%	Vins – Plus de 7 %
49452	Excise Tax Penalty - Importation	Amendes sur taxe d'accise – Importation
49453	Excise Tax - Importations Misc	Divers
49454	Excise Tax Interest - Importation	Intérêt sur taxe d'accise – Importation
49460	Excise Tax on Gasoline	Taxe d'accise sur l'essence
49475	Excise Tax - Casual Importations	Taxe d'accise – Importations occasionnelles
49555	Interest on Various Adjustments; Diversions, Quantity, Price, Retroactive, etc.	Intérêts sur divers rajustements; réaffectations, quantité; prix, rétroactivité etc.
49745	Special Services Fees	Droits de services spéciaux
49764	Port Seizures	Saisies dans les ports
49766	Customs Penalties	Amendes douanières

<b>Code</b>	<b>English description</b>	<b>Description française</b>
49768	Miscellaneous	Divers
49874	Int. Pd on Late Pym of Pen AMPS	Int payé sur paiement tardif de sanctions RSAP
49875	Amps – Customs	Rsap la douane
49876	Rfd Amps Pen & Int	Remboursement sanction et intérêts RSAP
49878	Int Rfd of Amps	Intérêt remboursement RSAP
49530	Beer – Not More Than 1.2%	Bière - pas plus de 1.2 %
49531	Beer – Not More Than 2.5%	Bière - pas plus de 2.5 %
49532	Beer – More Than 2.5%	Bière plus que 2.5 %
49540	Matured Spirits	Alcool à point
49541	Unmatured Spirits	Alcool non à point
49542	Spirit Coolers	Boissons rafraîchissantes alcoolisées
49613	MB – Prov. Alcohol Levies	Impôt prov. boiss. alcoolisées - MB
49673	MB – Prov. Sales Tax	Taxe de vente provinciale - MB

<b>References</b>	
<b>Issuing Office</b>	Trusted Trader Programs Unit Program Policy Management Division Commercial Program Directorate Canada Border Services Agency
<b>Headquarters File</b>	
<b>Legislative References</b>	<a href="#"><i>Customs Act</i></a> , section 32(2)(b) <a href="#"><i>Excise Tax Act</i></a> <a href="#"><i>Special Import Measures Act</i></a> <a href="#"><i>Privacy Act</i></a> <a href="#"><i>Accounting of Imported Goods and Payment of Duties Regulations</i></a> <a href="#"><i>Reporting of Imported Goods Regulations Customs Tariff</i></a>
<b>Other References</b>	<a href="#">D1-6-1</a> , <a href="#">D11-6-5</a> , <a href="#">D11-6-6</a> , <a href="#">D11-6-7</a> , <a href="#">D14-1-3</a> , <a href="#">D17-1-4</a> , <a href="#">D17-1-5</a> , <a href="#">D17-1-9</a> , <a href="#">D17-1-10</a> , <a href="#">D17-2-3</a> , <a href="#">D23-2-1</a> , <a href="#">Electronic Commerce Client Requirement Document</a> (ECCRD)
<b>Superseded Memorandum D</b>	D17-1-7, dated December 17, 2010