

MEMORANDUM D21-3-4

Ottawa, June 1, 1986

SUBJECT

REMISSION OF CUSTOMS DUTIES AND TAXES ON AUTOMOBILES PURCHASED IN CANADA BY CERTAIN MEMBERS OF NATO AND BRITISH COMMONWEALTH ARMED SERVICES

This Memorandum outlines the procedures with respect to the remission of Customs duties and taxes on automobiles purchased in Canada by members of NATO and British Commonwealth armed services.

GUIDELINES AND GENERAL INFORMATION

1. Order in Council P.C. 1954-26/1904 authorizes the remission of Customs duties, sales and excise taxes on new and unused automobiles sold to members of British Commonwealth and NATO visiting forces personnel posted to Canada for temporary duty.
2. To obtain the benefit of remission, the applicant shall:
 - (a) surrender to the local Customs office a Certificate of Entitlement form DM 3 issued by the office of the Assistant Deputy Minister of Excise; and
 - (b) file with the local Customs office an Application for Remission form DM 1 in duplicate, in the form set forth in the Appendix to this Memorandum. The application shall be accompanied by two copies of the sales invoice containing a complete description of the automobile, and extra equipment sold with the automobile, the vehicle serial number and the motor number.
3. Customs will issue a Temporary Admission Permit, form E 29B for a period of up to six months, subject to renewal.
4. When the automobile is of domestic manufacture and is being purchased directly from the manufacturer, the remission will be effected by retaining on the manufacturer's file, for audit purposes, a copy of the sales invoice and the completed application for remission approved by Customs, specifying the Customs office and the number of the Temporary Admission Permit issued to the purchaser.

5. When the automobile is of domestic manufacture and is being purchased from a dealer, the refund may be effected by means of a claim on Tax Refund Claim, form N 15. This claim form shall be prepared by the dealer and submitted by him to the local Excise office along with one copy of the completed application for remission duly approved by the local Customs office, and specifying the number of the Temporary Admission Permit issued to the purchaser.

6. When the automobile is not of domestic manufacture and is delivered out of a Customs bonded warehouse at the time of purchase, the remission will be effected by release from bond under a Canada Customs Coding Form B 3, subject to a Temporary Admission Permit having been issued to the purchaser. The local Customs office will forward one copy of the application for remission and one copy of the dealer's sales invoice attached to the copy of the form B 3 to the office of the Assistant Deputy Minister for Excise, Headquarters, Ottawa, K1A 0L5. A copy of each of these documents shall also be filed with the original Customs copy.

7. When the automobile is not of domestic manufacture and is being purchased from a dealer, the refund may be effected:

(a) for any Customs duties involved, by means of a claim on a Canada Customs Claim for Refund Form B 2R for importations made prior to January 1, 1988, and on a Canada Customs Adjustment Request form B 2 for importations made on or after January 1, 1988, which is to be filed by the importer of record at the Customs office where the automobile was released from Customs control; and

(b) for any sales and excise taxes involved, by means of a claim on form N 15 which is to be filed by the dealer with the local Excise office. One copy of the dealer's sales invoice and one copy of the completed application for remission (form DM 1) are to be attached to each claim.

8. To obtain a refund of Customs duties, the refund claim must be filed within the two-year time limit prescribed in the Customs Act. To obtain a refund of sales and excise taxes, the refund claim must be filed within the two-year time limit prescribed in the Excise Tax Act except where entitlement to the refund arose prior to May 24, 1985, in which case it must be filed within four years.

9. Any automobile for which the remission of Customs duties or sales and excise taxes has been granted pursuant to the Order outlined in this Memorandum, shall become subject to those duties and taxes at the existing rates on the current appraised value upon the completion of the British Commonwealth or NATO member's tour of duty in Canada, unless the automobile is:

(a) exported from Canada;

(b) sold to another non-resident member of a visiting force;

(c) sold to a person or organization entitled to a similar remission.

10. The exportation or sale of the automobile must be reported to the local Customs office in order to have the Temporary Admission Permit cancelled by Customs.

Customs Procedures

11. Instructions for completing a Temporary Admission Permit are found in Memorandum D8-1-4, Temporary Admission Permit form E 29B.

12. Automobiles imported under the provisions of this Order are to be issued a Certificate of Customs Entry of Foreign Automobiles form K 22. Instructions for the completion of form K 22 are found in Memorandum D2-1-1, Temporary Entry of Baggage and Conveyances by Non-residents.

APPENDIX

[Form not reproduced here]

REFERENCES

EFFECTIVE DATE —

December 8, 1954

ISSUING OFFICE —

Tariff Programs

LEGISLATIVE REFERENCES —

Financial Administration Act, section 17
Order in Council P.C. 1954-26/1904, December 8, 1954

HEADQUARTERS FILE —

4589-1

SUPERSEDED MEMORANDA "D" —

D21-3-4, July 1, 1982 (parts of)

OTHER REFERENCES —

Visiting Forces Act
D2-1-1, D8-1-4

SERVICES PROVIDED BY THE DEPARTMENT ARE AVAILABLE IN BOTH
OFFICIAL LANGUAGES.

THIS MEMORANDUM IS ISSUED UNDER THE AUTHORITY OF THE DEPUTY
MINISTER OF NATIONAL REVENUE, CUSTOMS AND EXCISE.