



Ottawa, August 13, 2008

# MEMORANDUM D3-2-2

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## In Brief

### AIR CARGO – IMPORT AND IN-TRANSIT MOVEMENTS

1. This memorandum has been revised to update terminology and contact information at the Canada Border Services Agency.
2. This memorandum has been updated to include the specific reporting guidelines and procedures related to Advance Commercial Information (ACI) Air cargo advance notification process.
3. This memorandum has also been updated to incorporate reporting guidelines and procedures for In-transit or Freight Remaining on Board (FROB) cargo, replacing Memorandum D3-2-3, *Air Cargo – In-transit Movements*.
4. Information related to the ACI program has been incorporated in to this memorandum and/or Memorandum D3-1-1, *Policy Respecting the Importation and Transportation of Goods*, D3-2-1, *International Commercial Air Traffic and Air Conveyance Reporting*, Memorandum D3-5-1, *Commercial Vessels in International Service*, and Memorandum D3-5-2, *Marine Cargo – Import Movements*.
5. The changes to the post audit privileges provided to air carriers have been incorporated into this memorandum and D3-1-6, *Customs Post Audit System*.
6. The changes to the reuse timeframes for air cargo and conveyance reference numbers have been incorporated into this memorandum.





Ottawa, August 13, 2008

# MEMORANDUM D3-2-2

## AIR CARGO – IMPORT AND INTRANSIT MOVEMENTS

This memorandum outlines and explains specific Canada Border Services Agency (CBSA) requirements and procedures for the advance notification, reporting, and control of cargo transported inbound by air mode. For general requirements and administrative policies that apply to all modes of transport, refer to Memorandum D3-1-1, *Policy Respecting the Importation and Transportation of Goods*.

For guidance in regards to the Customs Self Assessment (CSA) Program guidelines and procedures, CSA Carriers should refer to Memorandum D3-1-7, *Customs Self Assessment Program for Carriers*.

For information in regards to the reporting and control of cargo being exported from Canada, please refer to Memorandum D3-1-8, *Cargo – Export Movements*.

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## GUIDELINES AND GENERAL INFORMATION

### CARRIER AND FREIGHT FORWARDER IDENTIFIER CODES

1. All commercial air carriers must obtain a CBSA assigned carrier code, which in the air mode is a three character alphanumeric code followed by a hyphen. The CBSA no longer accepts the generic itinerant carrier code ITN- for commercial air carrier conveyance reporting or for the ACI advance notification of commercial cargo. The carrier code assigned by the CBSA is the carrier code that is to be quoted on all cargo and/or conveyance reports or documents. This carrier code makes up the first 4 characters of the cargo control number on all cargo and conveyance reports submitted by that carrier. When assigning a CBSA

carrier code, the CBSA will try to match an applicant's International Air Transportation Association (IATA) assigned prefix code, when possible.

2. Canadian or foreign freight forwarders reporting commercial goods to the CBSA for clearance and/or electronically notifying under ACI are required to have a valid four-character CBSA assigned identifier code. Canadian freight forwarders may apply for either a bonded or a non-bonded identifier code. A Canadian non-bonded freight forwarder identifier code only allows a freight forwarder to electronically transmit ACI air supplementary cargo reports (for import, in-transit or FROB shipments). Foreign freight forwarders (including U.S. freight forwarders) are only allowed to apply for a non-bonded freight forwarder identifier code and are only allowed to electronically transmit ACI air supplementary cargo reports for in-transit or FROB cargo movements when no Canadian entity is involved in the transportation or reporting of the cargo. For additional information on the requirements and procedures for obtaining a freight forwarder identifier code, please see D3-3-1, *Forwarded and Consolidated Cargo – Import Movements*.

3. To apply for a non-bonded carrier code, carriers must complete and submit an *Application to Transact Non-bonded Carrier Operations at Point of Arrival in Canada*, Form E369. For more information on the application process please see Memorandum D3-1-1. Form E369 can be found in Memorandum D3-1-1 and is also available on the CBSA Web site.

4. To apply for a non-bonded freight forwarder identifier code, freight forwarders must complete and submit an *Application to Obtain a Non-Bonded Freight Forwarder Code (to Supply Electronic Supplementary Data for Advance Commercial Information (ACI) Only)*, Form E369-1. For more information on the application process, please see Memorandum D3-3-1 and Memorandum D3-1-1. Form E369-1 can be found in Memorandum D3-1-1 and is also available on the CBSA Web site.

5. To apply for a bonded carrier or freight forwarder identifier code, carriers, freight forwarders or brokers/agents must complete and submit an *Application to Transact Bonded Carrier and Forwarding Operations*, Form E370. This application form must be accompanied by the appropriate amount of security. For more information on the application process please see Memorandum D3-1-1. Information is also available on the CBSA Web site. For more information regarding how to calculate the amount of security required, please see paragraphs 4 to 6 and Appendix D of this memorandum. Form E370 can be found in Memorandum D3-1-1.

6. Carriers interested in becoming a post audit carrier should refer to Memorandum D3-1-6, *Canada Border Services Agency (CBSA) Post Audit System* for more information.

## SECURITY REQUIREMENTS FOR BONDED AIR CARRIERS

7. The amount of security required for a commercial air carrier to become bonded is based on the size and configuration of that carrier's aircraft(s) according to the aircraft groupings specified in the Canadian Transportation Agency's (CTA) *Air Transportation Regulations*.

8. The amount of security required for Canadian all-cargo aircraft is based on the maximum certificated take-off weight (MCTOW) of the aircraft. Security for Canadian passenger aircraft, including passenger/cargo combine configurations, is based on the CTA's aircraft grouping determined by the certificated maximum number of passengers for that aircraft. You will find specific details on aircraft grouping in Appendix D of this Memorandum.

9. To determine the amount of security required for non-Canadian aircraft, use the same criteria as that used for Canadian aircraft.

**Note:** CTA groupings only apply to Canadian carriers.

## AIR CARGO OR CONVEYANCE REFERENCE/CONTROL NUMBER REUSE TIMEFRAMES

10. Air cargo or conveyance reference numbers for the following reports can be reused after one year:

- (a) air cargo reports (service option (SO) 802),
- (b) air split-shipment reports (SO 786),
- (c) air conveyance reports (SO 794), and,
- (d) air cargo paper reports (SO 323)

11. Supplementary cargo reports that are linked to an air cargo report (SO 802) will be rendered unchangeable after one year. However, the supplementary cargo report number is NOT reusable for three years.

12. Cargo control numbers (or transportation document numbers) or conveyance reference numbers used for Customs Self Assessment (CSA) purposes in all modes will continue to be subject to the CBSA's requirement that they remain unique for three years. Cargo control numbers utilized by CSA air carriers will be available for reuse after one year. However, CSA carriers must ensure that their CSA control number is kept unique for three years. Therefore, the cargo control number must not be the CSA control number. Should CSA air carriers' internal control procedures require modification to meet this requirement, CSA air carriers should contact their CSA senior program officer. For additional information on the CSA program, see Memorandum D3-1-7, *Customs Self Assessment Program for Carriers*.

13. A cargo control or conveyance reference number that is attached to a transaction number that has an **outstanding related request** associated to it, should not be reused until all processing related to the transaction is completed.

## **IN GENERAL – AIR CARGO REPORTING REQUIREMENT**

14. All information on air cargo shipments (including Company owned materials (COMAT goods) entering or transiting (including Freight remaining on board (FROB) shipments) Canada must be provided electronically in accordance with the ACI notification guidelines, procedures and timeframes outlined in this memorandum. There are some exemptions to this requirement and these exemptions are listed in paragraph 54 of this memorandum. All air cargo shipments must also comply with the “upon arrival” reporting for clearance guidelines and procedures outlined in this memorandum.

### **ENTER AT AUTHORIZED AIRPORT OF ENTRY**

15. All air cargo being imported into Canada must enter the country via an authorized Airport of Entry (AOE) that has commercial services suitable for handling the cargo. In addition, in-bond goods may only be transported between airports that provide commercial services for the handling and/or clearance of the in-bond goods. A complete listing of AOE's and the services provided at each facility can be found in the directory of CBSA offices.

### **AIR CARGO AT AIRPORTS WITHOUT COMMERCIAL SERVICES**

16. Goods may be manifested to an airport that does not normally handle commercial shipments provided the delivering carrier has made arrangements, approved by the chief officer of the CBSA office involved, to have the cargo delivered into an established sufferance warehouse for CBSA clearance.

17. Commercial service is not given at airports that do not normally handle commercial goods unless, due to an emergency situation, there is a request to clear urgently needed goods. The requirements of the CTA must be adhered to and special service or cost recovery charges assessed. Airports that provide commercial services are identified in the directory of CBSA offices. Information on special service fees can be found in Memorandum D1-2-1, *Special Services*.

### **ACI CARGO REPORTING GUIDELINES AND PROCEDURES**

18. The CBSA requires, under the ACI program, that all air carriers transmit electronic air cargo notifications using Electronic Data Interchange (EDI) within the ACI timeframes outlined in paragraph 40 of this memorandum. This electronic notification requirement applies to all aircraft carrying commercial goods that are loaded in a country other than Canada and that arrive at an airport in Canada. The requirement applies to all import, in-transit, and freight remaining on board (FROB) shipments. Exemptions to this ACI electronic notification are listed in paragraph 54 of this memorandum. For further information

on the ACI cargo data elements, please consult the *Reporting of Imported Goods Regulations*, Schedule 2, Part 2. For electronic report format specifications, please refer to the Advanced Commercial Information (ACI) Air Client Document.

19. Prior to transmitting electronically utilizing Electronic Data Interchange (EDI), prospective clients must complete and submit to the CBSA a formal application of intention. Additional information on this application process and the application form, *EDI Cargo System Application Form*, are available on the E-Commerce section of the CBSA Web site and in Memorandum D3-1-1.

### **Rejection Messages**

20. When a client transmits an electronic report, the request will undergo a series of validations by two of CBSA's systems: the Customs Electronic Commerce Platform (CECP) and the Accelerated Commercial Release Operation Support System (ACROSS). If there are no errors, the data is stored in the format in which it was sent and the appropriate acknowledgement notice to indicate successful receipt of the transmission is sent to the applicable sender.

21. If syntax errors occur, a reject message with the appropriate reason code will be sent back to the initiator via the same route as the incoming transmission. For a list of outbound error messages and response codes please refer to Appendix C, Table #11 of the Advanced Commercial Information Air Client Document. The rejected electronic report will be considered by the CBSA as non-report of the cargo or conveyance until the identified errors have been addressed and the report is in “accepted status” by the CBSA system.

22. For assistance with any problems concerning the transmission of EDI data, please contact the Electronic Commerce Unit at:

Enquiries or documentation requests should be directed to:

Electronic Commerce Unit (ECU)  
Canada Border Services Agency  
250 Tremblay Road, 6th floor  
Ottawa, Ontario K1A 0L8

Phone:

**1-888-957-7224** calls within Canada and the U.S.  
1-613-946-0762 for overseas callers between 8 a.m. and 5 p.m. (E.S.T.)  
1-613-946-0763 for overseas callers between 5 p.m. and 8 a.m. (E.S.T.)

### **Air Cargo Report (SO 802)**

23. The air cargo report (SO 802) must be transmitted to the CBSA by the carrier that is responsible for the movement of the cargo, or a service provider authorized by that carrier to transmit on their behalf, within the prescribed timeframes as outlined in paragraph 40 of this

memorandum. An air cargo report is mandatory for all non-exempt import, in-transit, or FROB cargo. A complete list of the information that an Air Carrier must include in the air cargo report can be found in the ACI Air Client Document.

**Note:** The export or outbound movement of in-transit goods must be reported as outlined in D3-1-8, *Cargo – Export Movements*.

### **Supplementary Cargo Report (SO 687)**

24. If the air cargo report does not contain full cargo details listing actual shipper, ultimate consignee and an accurate description of goods, a supplementary cargo report (SO 687) is mandatory for all import, in-transit, and non-US loaded FROB cargo. US loaded FROB air cargo reports do not require supplementary cargo reports (SCRs)

25. The air carrier, or freight forwarder, must transmit the supplementary cargo report (SO 687) to the CBSA within the prescribed timeframes outlined in paragraph 40 of this memorandum. If a freight forwarder will be transmitting the supplementary cargo report to the CBSA, the carrier must provide the freight forwarder with the air cargo report's cargo control number. The freight forwarder must include the air cargo report's cargo control number as a cross reference on the supplementary cargo report.

26. Approved foreign freight forwarders (including U.S.) may only transmit supplementary cargo information directly to the CBSA when there is no Canadian entity involved in the movement and reporting of the shipment (i.e., in-transit or freight remaining on board movements).

27. If the goods are destined to Canada, the CBSA will only accept supplementary cargo information from an approved domestic freight forwarder or a domestic third-party (service provider or carrier) acting on the freight forwarder's behalf.

### **Split Shipment Cargo Report (SO 786)**

28. The split shipment report must be transmitted to the CBSA within the prescribed timeframes as outlined in this memorandum. The split shipment reporting process was designed to accommodate the reporting of goods that were manifested as one shipment and then split prior to departure due to carrier capacity constraints.

29. The cargo reporting carrier will use the air cargo (SO 802) reporting process to report the master load, noting the manifested quantity, and will then submit each portion of the split using the split shipment report (SO 786) process, noting the conveyance and boarded quantity as well as referencing the original master air cargo report.

30. If the air cargo report is in reject status, and a SSR (Split Shipment Report) is sent, the SSR will be put in reject status. To correct this the client will first have to transmit a change to the ACR, wait for an acknowledgment and only then resend the SSR as a change of report.

31. If the Air Cargo Report (ACR) is not on file, and a Split Shipment Report (SSR) is sent, the SSR will be put into reject status. To correct this the client will first have to transmit an ACR, wait for an acknowledgment of receipt and only then resend the SSR as a change of report.

32. Any supplementary reports required for a split shipment will be linked to the master air cargo report. Therefore, supplementary reports for individual split shipments are not required.

### **Code Share Movement Reporting**

33. A code share movement is an agreement between two or more airlines to share one aircraft.

34. Only one conveyance report, provided by the carrier who physically operates the aircraft, is required for each code-share flight. The airline operating the aircraft is the transporting carrier and is responsible for transmitting the conveyance report and cargo reports for its own cargo to the CBSA within the prescribed timeframes outlined in this memorandum.

35. The airlines that share the transporting carrier's aircraft will file their own cargo report(s) using their own air waybill number(s) and flight number to the CBSA within the prescribed timeframes outlined in this memorandum. Although carriers involved in code-share agreements report their own flight number for their cargo reports, they must provide the conveyance report number of the transporting carrier on their cargo reports.

### **Interline Movement Reporting**

36. An interline movement exists when the transporting carrier has an agreement with another airline(s) to move their cargo on their behalf:

37. The transporting carrier is responsible for submitting the conveyance report and cargo report(s) for all shipments on board the aircraft, within the prescribed timeframes as outlined in this memorandum.

38. The carrier transporting the cargo will transmit the cargo reports for all interlining partners. The transporting carrier will submit the air waybill number, when filing a cargo report for an interline carrier, using the interline carrier's CBSA-approved carrier code. The transporting carrier will send the cargo report to the CBSA.

39. For additional information on interline movements, please refer to the *Advanced Commercial Information Air Client Document*, Section 4.2, Figure 5.

### **Cargo Reporting Time Frames**

40. The air carrier, or third-party provider acting on the carrier's behalf, must electronically transmit the cargo information related to an air waybill to the CBSA at least four hours prior to arrival at the First Port of Arrival

(FPOA) at a Canadian airport or, if the duration of the flight is less than four hours, at the time of departure.

### **LVS/HVS Reporting**

41. Shipments that qualify under the Low Value Shipment (LVS) Courier Program are exempted from full ACI electronic notification of the details of each shipment. For additional information concerning the LVS Courier Program please see Memorandum D17-1-2, *Reporting and Accounting for Low Value Commercial Goods (Under CAN \$1,600)*, and Memorandum 17-4-0, *Courier/Low Value Shipment Program – Low Value Commercial Goods*.

42. In situations where one master air waybill (MAWB) documents both LVS shipments, that qualify under the LVS Courier Program, and HVS (High Value Shipments) shipments, an ACI report accounting for the total weight and piece count is required for all goods listed on the MAWB.

43. It is the responsibility of the LVS/Courier program participant to electronically transmit supplementary reports for each HVS and one supplementary report to account for all LVS shipments. The supplementary report for the LVS shipments will indicate “LVS Courier Program Shipments” in the description field; the total weight of all LVS shipments in the weight field; and the total pieces of all LVS shipments in the boarded quantity field.

### **Changes/Corrections to Cargo Reports**

44. Changes or corrections to the air cargo (SO 802), supplementary cargo (SO 687) or split shipment reports (SO 786) are to be transmitted electronically, to the CBSA.

45. Clients have up to thirty days after aircraft arrival to transmit electronic changes/corrections to cargo reports. Local CBSA offices will not accept paper reporting of changes except in the limited number of situations outlined in paragraph 47 of this memorandum.

46. When a flight is diverted, for emergency reasons, changes to ACI cargo, supplementary or split shipment reports must be transmitted as soon as practicable. However, conveyance reports must be updated as outlined in Memorandum D3-2-1.

### **Paper Changes/Corrections**

47. There will be a limited number of exceptions in which clients will be allowed to provide post-arrival corrections and changes on paper to local CBSA offices. These exceptions include the following circumstances not otherwise accommodated by the system:

- (a) contingency situations where clients are unable to transmit electronically and in advance (for additional information on contingency procedures for system outages, please see paragraphs 49 to 51 of this memorandum); and,

- (b) exceptional circumstances, as determined by the CBSA, in which a client is unable to make the post arrival changes or transmit electronically.

### **Changes to the Cargo Control Number (CCN)**

48. If the cargo control number (CCN) needs to be changed, the client must electronically cancel the ACR and retransmit a new ACR, with the new CCN.

### **System Outage Contingency Plan**

49. In the event of a system outage in the CBSA's, client's or service provider's systems, each party must make all efforts to continue normal communications, and to restore their systems to normal operating condition as soon as is reasonably possible.

50. Clients must retain the ability to produce hard copy cargo/conveyance declarations in the event of disruption to client and/or CBSA systems.

51. For detailed procedures and air policy in the event of a CBSA or external system failure, please refer to the *ACI Air Client Document*.

### **Foreign Aircraft Servicing Equipment**

52. Machinery and equipment for use within the confines of an international airport to service inbound and outbound flights of foreign registered aircraft may be imported into Canada without payment of customs duties but are subject to the GST. For more specific information, refer to Memorandum D8-2-5, *Foreign Aircraft Servicing Equipment Remission Order*. Foreign aircraft servicing equipment must be reported electronically in accordance with the ACI procedures outlined in this memorandum, when initially imported.

### **Commissary Equipment**

53. Foreign airlines operating international flights into Canada may have to replace galley equipment and aircraft furnishings (headrest covers, cabin curtains, etc.) during turn-around periods. Each airline is allowed to keep a sufficient quantity of such goods in Canada for the replacement needs of the airline. As a control, the CBSA maintains an inventory list. The airline is then responsible for paying the duty and taxes on any goods disposed of in Canada. Commissary equipment must be transmitted electronically in accordance with the ACI procedures outlined in this memorandum, when initially imported.

### **EXEMPTIONS TO ACI REPORTING**

54. The following air cargo shipments are exempt from ACI electronic notification:

- (a) CSA Shipments;
- (b) mail bags destined to Canada Post processing facilities;

- (c) military goods on board military-owned or military-chartered aircraft, as long as no other cargo is on board,
- (d) commercial shipments carried with a passenger in his/her own baggage,
- (e) transborder air shipments in highway service (sometimes referred to as “flying trucks”);
- (f) shipments reported under the Courier Low Value Shipment (LVS) Program; and,
- (g) empty aircraft, where the conveyance is the imported good.

#### **GENERAL REPORTING GUIDELINES AND PROCEDURES FOR ACI EXEMPTIONS**

55. All exemptions to ACI electronic notification will be reported using one of the following cargo control documents, or as otherwise outlined in this memorandum:

- (a) The carrier may use the standard Form A8A(B), *CBSA Cargo Control Document*, available (in limited quantities) at all CBSA offices or use a privately printed document in a format that is acceptable to the CBSA. To order Form A8A(B) or other CBSA forms, please call **1-800-959-2221** (in Canada) or 1-905-712-5813 (from outside Canada), or order submit an online order form available on the CBSA web site. Cargo control document specifications can be found in Memorandum D3-1-1, and completion instructions for Form A8A(B) also in Memorandum D3-1-1.
- (b) The International Air Transport Association (IATA) format air waybill is an approved cargo control document for reporting cargo to the CBSA and does not require CBSA approval for its use. At the point of lading, the air carrier should ensure that all applicable fields on the air waybill are completed accurately and legibly. You will find a copy of an IATA air waybill as well as the instructions for completing the waybill in Appendix B of this memorandum.
- (c) The IATA format air express waybill is an approved cargo control document for reporting cargo to the CBSA. CBSA approval is not required to use this document. You will find a copy of an IATA air express waybill as well as the instructions for completing the waybill in Appendix C of this memorandum.
- (d) Mail bags must be accompanied by one of the above-mentioned cargo control documents, in addition to the Universal Postal Union (UPU) delivery bill.

#### **Manner of Reporting – ACI Exempt Imports**

56. Non-bonded air carriers must report all shipments to the CBSA at the initial airport of landing at the time of arrival.

This report consists of five copies of an approved cargo control document. After verification, all copies of the document are numbered when required and date stamped by the CBSA. To keep the information legible, date stamps should be applied to the reverse side of the documents. Two copies (Mail and Station) are kept by the CBSA. Two copies (Long Room and CBSA Delivery Authority) are given to the importer or agent of the importer for presentation to the CBSA with the release document(s) at the CBSA office of release. The warehouse operator copy is given to the warehouse operator to serve as an inventory control copy.

57. Bonded or post-audit air carriers may report import shipments at either the initial airport of landing at the time of arrival or at the destination airport indicated on the waybill. All airports used en route to the final airport of destination must be indicated clearly on the waybill. The destination airport may only change if the carrier has filed a re-manifest or diversion.

58. Bonded carriers require five copies of the IATA air waybill or cargo control document for CBSA purposes. This report consists of five copies of an approved cargo control document. After verification, all copies of the document are numbered when required and date stamped by the CBSA. To keep the information legible, date stamps should be applied to the reverse side of the documents. Two copies (Mail and Station) are kept by the CBSA. Two copies (Long Room and CBSA Delivery Authority) are given to the importer or agent of the importer for presentation to the CBSA with the release document(s) at the CBSA office of release. The warehouse operator copy is given to the warehouse operator to serve as an inventory control copy.

59. Post-audit carriers require four copies of the IATA air waybill or cargo control document for CBSA purposes. One copy (Mail) serves as the cargo report to the CBSA, two copies (Long Room and CBSA Delivery Authority) are given to the importer for presentation to the CBSA with the release document(s) at the CBSA office of release, and one copy (Warehouse Operator) is given to the warehouse operator as an inventory control copy.

60. When cargo is covered by an air waybill other than the reporting carrier’s air waybill, the front of the document must be clearly stamped with the reporting carrier’s correct name and carrier code before presentation to the CBSA. Instead of stamping each air waybill, carriers may present their documents in envelopes clearly marked “CBSA Cargo Report” giving the name and code of the reporting carrier.

61. When in-bond shipments are to be shipped beyond the final point indicated on the air waybill, the shipment must be moved by a bonded or post-audit carrier and properly re-manifested.

## Manner of Reporting – ACI Exempt Intransit Shipments

### Post Audit Carriers

62. Foreign goods destined to a foreign airport and landed at Canadian airports in the services of a post audit air carrier do not need to be reported to the CBSA, provided their outward movement to a foreign airport is made by that same carrier by air and that the goods are documented on a through air waybill.

63. Foreign goods destined to a foreign airport and landed at Canadian airports in the services of a post audit air carrier must be reported to the CBSA when they are transferred to another air carrier in Canada for their outward movement to a foreign airport. This report must be made by the carrier landing the goods and will be in the form of a single copy of each air waybill. The reporting carrier must stamp the air waybill with the designation “EX” and the code number of the exporting carrier.

64. When the outward movement of the goods is made by a highway carrier, the highway carrier must present the air waybill to the CBSA at the point of exit. The air waybill will be noted “Intransit Goods for Export” and will show the highway carrier’s code. At non-automated offices, the air waybill will be filed. At automated offices, the air waybill will be input to the cargo/carrier sub-system, using the “EX” code to provide for acquittal.

65. The inward movement portion of the intransit movement will be acquitted by the exporting carrier’s export report as outlined in Memorandum D3-1-8. A paper copy of the inward report is not required for acquittal of the inward movement of intransit goods. However, the carrier (air or highway) transferring the goods to the exporting carrier must ensure that the cargo control number and complete details of the intransit movement of the cargo is provided to the exporting carrier.

**Note:** No formal acquittal will be required for these reports, since audits will be made against carriers’ records.

### Bonded and Non-bonded Carriers

66. Foreign goods destined to a foreign airport and landed at Canadian airports in the services of non-bonded and bonded air carriers do not need to be documented for CBSA purposes, provided they remain on board the aircraft and no layover is necessary.

67. If the goods will not be exported immediately, they must be documented and reported to the CBSA on an IATA air waybill, or on Form A8A(B), *Customs Cargo Control Document*. A copy of an IATA air waybill and corresponding completion instructions may be found in Appendix B of this Memorandum. Completion instructions for Form A8A(B) are found in Memorandum D3-1-1.

## Diversions and Transfers – Requirements for ACI Exemptions

### Import/Inbound goods

68. It is not necessary to re-document goods that are re-routed from the destination airport indicated on the cargo control document to a second airport in the service of and on the same billing as the original reporting carrier. However, the carrier who was in control of the shipment at the time of diversion is responsible for preparing a *Customs Diversion Notice*, Form A30, in duplicate and attaching both copies to the long room copy of the cargo control document.

69. The interlining of shipments between airlines operating under post-audit CBSA control is affected by carrier transfer documents when there is no change in the CBSA destination. A copy of the transfer document is not required. If there is a change in the CBSA destination, the transferring carrier must prepare two copies of the diversion notice and attach both copies to the long room copy of the cargo control document.

70. The diversion notice and cargo control document is given to the importer or connecting carrier if interlined, and presented with the relevant release documents at the CBSA office of release. The diversion notice remains with the accounting document until numbered.

71. If the carrier chooses, the diversion notice may be prepared in triplicate, and the third copy date stamped and returned to the carrier.

72. No more than one diversion of the same shipment is allowed.

73. The diversion notice is supplied by the carrier in 21.5 cm by 14 cm (8 1/2 by 5 1/2 inches) size and printed on blue paper.

74. For more detailed information on diversions, refer to Memorandum D3-1-1. Form A30, *Customs Diversion Notice*, may be found in Memorandum D3-1-1.

## Emergency Landing Cargo Reporting Guidelines for ACI Exemptions

### Import/Inbound goods

75. If an aircraft carrying cargo for import is forced to land at an airport short of its intended destination due to weather conditions, mechanical issues affecting the safety and security of the aircraft and passengers, or medical situations requiring immediate attention, the carrier is advised to provide verbal notification of the details of the emergency landing to the CBSA at the airport of emergency landing (or the closest airport with CBSA commercial clearance capabilities) and the airport of original destination. For a

listing of CBSA offices and the types of services offered, please see the Directory of CBSA Offices available on the CBSA Web site.

76. If the cargo will remain on board the aircraft while at the emergency landing site, or be transferred to a replacement aircraft for transportation to the original airport of destination for CBSA clearance, generally, no additional paperwork, such as a diversion notice, will be required at the time of clearance to document the emergency landing. Clients should verify with the CBSA at the airport of destination whether a diversion notice is required, or not.

77. If the cargo is being presented for clearance at the emergency landing site (if CBSA commercial clearance is available), diversion documentation must accompany the clearance/release paperwork. Diversion documentation requirements and procedures are outlined in paragraphs 68 to 74 of this memorandum.

### **Intransit goods**

78. The following procedures apply to intransit cargo landed in Canada as a result of weather conditions, mechanical issues affecting the safety and security of the aircraft and passengers, or medical situations requiring immediate attention:

(a) The carrier is advised to provide verbal notification of the details of the emergency landing to the CBSA at the airport of emergency landing (or the closest airport with CBSA commercial clearance capabilities). If the cargo remains on board the aircraft, the cargo may require report on Form AG1, *General Declaration (Outward/Inward)*, stating: "Intransit cargo on board not discharged or loaded at this CBSA office". Form AG1, *General Declaration (Outward/Inward)* can be found in Appendix A of Memorandum D3-2-1.

(b) The cargo may be transferred from one aircraft to another only under CBSA supervision, and the identifying markings of the replacement aircraft and a brief notation of the circumstances must be provided to the CBSA.

(c) At the discretion of the airline, the cargo may be forwarded to the United States by a bonded highway carrier on an IATA air waybill or other CBSA approved cargo control document indicating complete details of each shipment. In the case of mail bags, the cargo control document must show the number of bags and describe the goods as "mail bags." The document must be prepared in triplicate and numbered from the local series. One copy will be returned to the carrier for presentation to the CBSA at the point of exit. The remaining copies will serve as the mail and station copies.

(d) The transfer of the cargo from the aircraft to the truck must be conducted under the supervision of a border services officer who will seal the vehicle with a

CBSA seal(s) and note the seal(s) number(s) on the cargo control document. If the seals are intact at the point of exit, the vehicle may be allowed to proceed without further examination.

(e) Where the goods have to be removed from the aircraft and held pending availability of another aircraft or a bonded carrier's vehicle, they must be placed in a sufferance warehouse. The goods must be reported to the CBSA on an IATA air waybill or other CBSA approved cargo control document. At the time of transfer, the applicable procedures outlined in paragraph (b) or (d) of this memorandum must be followed.

79. Carriers that are not bonded cannot carry in-bond cargo beyond the CBSA office of arrival. However, when a non-bonded foreign aircraft carrying goods into Canada makes an emergency landing short of its final destination, it may continue to the final destination without posting a single trip bond. In this case, the cargo must be reported to the CBSA at the initial CBSA office. When stopovers occur at either Gander or Goose Bay, carriers may continue to destination after presenting Form AG1, *General Declaration (Outward/Inward)* to the CBSA, or report the goods at the initial CBSA office.

80. To ensure control, the initial CBSA office of report is to advise the CBSA at the final destination of the carrier's expected arrival.

81. The cargo control document is numbered and date stamped by the CBSA. When the initial CBSA office is non-automated, the mail copy of the cargo control document is mailed to the CBSA office of destination. Otherwise, it is keyed into the automated system. The Station copy is filed, and the long room, CBSA delivery authority, and warehouse operator copies are returned to the carrier for reporting at final destination.

82. At destination, the long room and CBSA delivery authority copies are given to the importer for presentation with the release document(s) at the CBSA office of release, and the warehouse operator copy to the warehouse operator to serve as an inventory control copy.

### **Split Shipment Reporting Procedures for ACI Exemptions**

83. Split shipments (part lots) occur when portions of a shipment covered by one air waybill enter the country at different times.

84. Under this procedure, the air carrier must report all parts of the split shipment as they arrive.

85. All parts of a split shipment are controlled under the original air waybill number. The procedure requires a "Split Shipment" stamp on the original air waybill report and on all copies of the original air waybill used to report the subsequent parts of the split shipment. The number of

pieces that have arrived must be indicated in the appropriate field of the "Split Shipment" stamp, e.g., 1st Part – 20 Pieces.

86. For purposes of uniformity, the "Split Shipment" stamp used by the airlines must be similar to that shown below:

SPLIT SHIPMENT  
RECEIVED BY

.....  
Carrier's name  
  
.....  
Name of airport

AS FOLLOWS

1st Part –       \_\_\_ Pieces  
2nd Part –       \_\_\_ Pieces  
3rd Part –       \_\_\_ Pieces  
4th Part –       \_\_\_ Pieces  
Final Part       \_\_\_ Pieces

87. Split shipments consigned to a de-consolidator are processed as follows:

(a) when the initial part of the shipment arrives, the reporting air carrier prepares the original air waybill. The total quantity for the entire shipment is shown in the "No. of packages" box. All copies must be stamped with the "Split Shipment" stamp completed, showing "1st Part – X Pieces",

(b) the reporting air carrier must give one copy of the original air waybill (Mail) to the CBSA and two copies (Long Room and CBSA Delivery Authority) to the de-consolidator,

(c) the de-consolidator must prepare secondary cargo reports (housebills/advice notes) to cover the total quantity of the shipment cancelling the full quantity declared on the original air waybill. The de-consolidator must give the mail and station copies of all of the secondary cargo reports along with two copies (Long Room and CBSA Delivery Authority) of the original air waybill to the CBSA. The long room and CBSA delivery authority copies of the secondary cargo report(s) for those goods that have arrived will be given to the importer, or agent of the importer, for presentation with the release document(s) to the CBSA,

(d) the long room and CBSA delivery authority copies of the secondary cargo report covering those goods that have not yet arrived must be held in the de-consolidator's open file pending the arrival of those goods,

(e) when the remaining portions of the shipment arrive, the reporting air carrier must give one copy of the original air waybill to both the CBSA and the de-consolidator. The "Split Shipment" stamp identifying the part of the shipment that has arrived and the number of pieces received must be completed on the air

waybill. The long room and CBSA delivery authority copies of the secondary cargo reports previously prepared and held in the de-consolidator's open file are now given to the importer, or agent of the importer, for presentation to the CBSA with the release document(s) for that portion of the shipment.

88. Although secondary cargo reports are required for the total quantity of the complete shipment, the de-consolidator is only responsible for the quantity shown on the "Split Shipment" stamp. If the goods not covered by the "Split Shipment" stamp cannot be produced or accounted for, the air carrier is responsible for the shortage.

89. Split shipments consigned to an importer are processed as follows:

(a) when the initial part of the shipment arrives, the reporting air carrier prepares the air waybill. The total quantity for the entire shipment is shown in the "No. of packages" box. All copies of the air waybill must be stamped with the "Split Shipment" stamp completed to show "1st Part – X Pieces" to identify the part of the shipment being reported and the number of pieces received;

(b) the reporting air carrier must give one copy of the air waybill (Mail) to the CBSA and two copies (Long Room and CBSA Delivery Authority) to the importer for presentation to the CBSA with the release document(s),

(c) the importer may obtain release of portions of the shipment as they arrive or may wait until all portions of the shipment have arrived before obtaining their release from the CBSA,

(d) to obtain release of the entire shipment at one time, the importer must present all copies of the original air waybill (Long Room and CBSA Delivery Authority) with the release document(s) for the entire shipment,

(e) to obtain release of a portion of the shipment as it arrives, the importer must present two copies (Long Room and CBSA Delivery Authority) of the original air waybill with the release document(s) to the CBSA. All copies must be stamped with the "Split Shipment" stamp completed to identify the part of the shipment being reported and the number of pieces received. Although only part of the shipment is being released, the duty and taxes for the entire shipment must be paid by the importer,

(f) when the remaining portions of the shipment arrive, the reporting air carrier must give one copy of the original air waybill (Mail) to the CBSA and two copies (Long Room and CBSA Delivery Authority) to the importer for presentation with the release document(s) to the CBSA. All copies must be stamped with the "Split Shipment" stamp completed to identify the part of the shipment being reported and the number

of pieces received. The subsequent portions are to be released using the procedures for the release of short-shipped goods, as outlined in Memorandum D17-1-5, *Importing Commercial Goods*.

#### **SPECIFIC GUIDELINES RELATED TO ACI NOTIFICATION EXEMPTIONS**

##### **CSA Shipments**

90. For guidance in regards to the Customs Self Assessment (CSA) Program guidelines and procedures, CSA Carriers should refer to Memorandum D3-1-7, *Customs Self Assessment Program for Carriers*.

##### **Mail**

91. Carriers transporting international mail will report all international mail to the CBSA on a properly completed air waybill or other acceptable CCD, clearly indicating in the cargo description field that the cargo is International Mail. The universal postal manifest prepared by the foreign mail service should be attached to the air waybill.

92. International mail is transferred in-bond under the control of the air carrier's air waybill or if moved by a secondary carrier (under the secondary cargo control document of the secondary carrier) or by the Canada Post Corporation. The mail is transferred to one of the CBSA international mail exchange offices where it is processed in accordance with the guidelines and procedures outlined in D5-1-1, *Customs International Mail Processing System*.

93. Diplomatic mail must also be reported to the CBSA on a properly completed air waybill or other acceptable CCD, clearly indicating in the cargo description field that the cargo is diplomatic mail. Only those authorized to pick up diplomatic mail will be allowed to remove diplomatic mail from CBSA control. The CBSA at each airport handling the arrival of diplomatic mail will maintain a list of those parties or individuals authorized to pick up diplomatic mail. Consulates or embassies must ensure that any changes to the list are communicated in a timely fashion to the airport of entry or appropriate regional program area contact.

##### **Military Goods on Military-owned or Military-chartered Aircraft**

94. Military goods arriving on military-owned or military chartered aircraft are reported on an air waybill or other acceptable CCD at the airport of arrival in Canada.

95. Military goods arriving on board a non-military owned or chartered aircraft must be transmitted electronically in accordance with the ACI notification guidelines outlined in this memorandum.

##### **Commercial Goods Carried by a Passenger in his/her own Baggage**

96. Commercial goods carried by a passenger in his/her own baggage on board a commercial passenger aircraft must be declared by the passenger on the E311, *CBSA Declaration Card*.

97. A cargo control document or EDI cargo transmission is not required when a shipment is being transported by the importer in his/her own baggage on board a commercial passenger flight AND the shipment is accounted for at the initial CBSA office of report by presenting a Form B3, *Canada Customs Coding Form*, type C and payment of all applicable duties and taxes.

98. If the B3 is presented by a broker/agent on behalf of the importer at the time of arrival at the initial CBSA office of report, a cargo control document may be required. If a cargo control document is required, the broker/agent's carrier/identifier code is the carrier code that should be quoted on the cargo control document, if the importer does not have a carrier identifier code of their own.

##### **Transborder Air Shipments in Highway Service (Flying Trucks)**

99. Bonded or post-audit air carriers that are providing international air service for transporting cargo may use the services of a highway carrier (secondary carrier) to transport air cargo into Canada. The highway carrier does not require a letter of authorization from the bonded or post-audit air carrier in order to move the goods under the bonded or post audit air carrier's documentation.

100. The following procedures apply when air cargo is transported into Canada via highway mode:

(a) The highway carrier that has contracted with the air carrier reports the goods to the CBSA at the highway frontier on behalf of the air carrier by presenting the bonded or post-audit air carrier's properly completed air waybill, which serves as the air carrier's report of the goods to the CBSA. If consolidated shipments are presented – consigned to a de-consolidator or freight forwarder- a continuation sheet must be attached outlining the required shipment details for each shipment in the consolidated shipment (same information as required on a housebill), which include: actual shipper, ultimate consignee, weight, piece count, and complete description of the goods.

(b) The cargo control number on the air waybill will include the carrier code of the air carrier, not the highway carrier, and the air waybill must show the Canadian airport as the ultimate destination airport.

(c) The goods must be delivered into a type AA or AH sufferance warehouse licensed to receive air cargo.

(d) The highway or air carrier must not report again to the CBSA at the airport of destination, as this would create duplicate manifests within the CBSA inventory system.

(e) The border services officer at the highway frontier retains the mail and station copies of the air waybill as proof of report.

(f) The highway carrier provides the long-room and CBSA delivery authority copies of the air waybill to the importer or agent of the importer for presentation to the CBSA with the release document(s) at the airport of release. One copy (warehouse operator) is given to the warehouse operator as an inventory control copy.

101. The air carrier assumes full liability for the goods. Any tracers or penalties for cargo infractions are applied against the primary air carrier.

102. In-transit air shipments that are destined to a third country may move by highway carrier to a Canadian airport for export provided:

(a) the goods are reported at the frontier by the highway carrier,

(b) the report is in the form of a single copy of each air waybill,

(c) for policies and procedures related to the export portion of the movement of in transit air shipments moving by highway, please see D3-1-8, *Cargo – Export Movements*.

103. No formal acquittal is required for these in-transit for export reports as audits are made against the carrier's records.

104. Air carriers not complying with the above requirements are to have their highway substitution privileges revoked, and the shipments treated as normal highway movements.

105. For vehicle sealing requirements please see D3-4-2, *Highway Cargo – Import Movements*; sealing requirements for air cargo being transported by a highway carrier are based on the carrier status of the air carrier. Where highway and air cargo are being transported in the same vehicle, all highway cargo must be reported and processed as outlined in Memorandum D3-4-2.

### **Small Parcel Service and LVS Courier Program Cargo**

106. A number of airlines operating transborder into Canadian airports have special procedures for the rapid movement of small parcels of urgently required materials.

This is a premium rate operation normally used for the movement of magnetic tapes, printouts, business correspondence, business statements, news material, films, etc. For further information on clearance procedures for this type of shipment, see Memorandum D8-2-16, *Courier Imports Remission Order*.

107. While the procedure was designed by carriers to expedite the movement of small single shipments, various courier services are using the system to move a number of small shipments contained in one package and documented on one air waybill. Such instances are considered to be consolidations, and the courier service involved must break the package down on Form A10, *Customs Cargo Control Abstract*, or on an approved consist sheet if the shipment qualifies under Memorandum D8-2-16, or on a Cargo/Release List for approved Courier Low Value Shipment Program participants. For additional information, please see D17-1-2, *Reporting and Accounting for Low Value Commercial Goods (under CAN\$1600)* and the *Consist Sheet Clearance Process* and Memorandum D8-2-16. Further information on Form A10 may be found in Memorandum D3-1-1.

108. Courier parcel shipments carried in-bond under exclusive charter arrangements may be delivered directly to the courier's sufferance warehouse or to its contracted agent at the airport of destination.

### **Empty Aircraft – When Aircraft is the Goods/Cargo**

#### **Reporting requirements**

109. Empty aircraft are exempted from electronic ACI notification. For conveyance reporting and notification requirements please see Memorandum D3-2-1.

#### **Documentation requirements for the report of imported commercial aircraft**

110. All empty aircraft that are imported, temporarily or permanently, are to be reported on a CBSA approved cargo control document by the party transporting the aircraft at the airport of arrival.

#### **Commercial aircraft**

111. Commercial air carriers will generally report imported commercial aircraft on an IATA air waybill, CBSA cargo control document, form A8A(B), or an approved alternative. If the importation is temporary in nature, such as: aircraft imported for demonstration, repair, or alteration, then the commercial air carrier should clearly indicate this in the cargo description section. The anticipated length of the temporary importation should also be indicated in the description section; for example: "aircraft being temporarily imported for demonstration until (indicate date)". Additional accounting or release documents may be

required for temporary importations. For additional information on the accounting or release documentation for temporary importations, please see paragraphs 118 to 122 in this memorandum, and D8-1-1, *Temporary Importation (Tariff Item No. 9993.00.00) Regulations*.

### **Corporate aircraft**

112. Corporate aircraft being imported, permanently or temporarily, will generally be reported on an A8A(B) cargo control document (or other CBSA approved cargo document) by the party transporting the aircraft. Additional accounting or release documents will be required for permanent importation and for most temporary importations. For additional information on the accounting or release documentation for permanent importations, please see Memorandum D17-1-5, *Importing Commercial Goods*. For additional information on the accounting or release documentation for temporary importations, please see paragraphs 118 to 122 in this memorandum, and D8-1-1, *Temporary Importation (Tariff Item No. 9993.00.00) Regulations*.

113. The Itinerant carrier code "ITN-" may be used as the carrier code on the cargo control document, A8A(B), in these situations if the party transporting the aircraft transports aircraft for permanent and/or temporary importation less than five times within a calendar year. If the party transporting the aircraft transports aircraft for permanent and/or temporary importation five times or more within a calendar year, the transporter must apply for and obtain a CBSA carrier code for identification purposes. For additional information on carrier identification and how to apply for a carrier code, please see paragraphs one to nine in this memorandum and Memorandum D3-1-1.

114. If a CBSA approved broker/agent will be handling the release and accounting of the goods (corporate aircraft) on behalf of the importer, the broker's CBSA carrier identifier code may be used on the cargo control document.

115. The air waybill, A8A(B) or other approved cargo report is to be presented to the CBSA, along with any applicable release documentation, as outlined in the "General Reporting Guidelines and Procedures for ACI Exemptions" section of this memorandum, paragraphs 55 to 89.

### **Documentation requirements when the transporter is also the importer**

116. When the party transporting the corporate or commercial aircraft is the importer of the aircraft, a cargo control document will not be required if the importer obtains release of, and accounts for, the goods (aircraft) by presenting a Form B 3-3, *Canada Customs Coding Form*, type C, cash accounting document at the initial CBSA office of report. This applies to permanently or temporarily imported commercial and corporate aircraft.

117. For conveyance reporting and advance notification of arrival requirements for empty aircraft being imported please see Memorandum D3-2-1.

### **Release/accounting documentation requirements for foreign aircraft temporarily imported**

#### Aircraft for Repair

118. Aircraft may be temporarily imported into Canada for repair. "Repair" is defined as "a corrective maintenance activity, which may include replacing or re-fixing parts, in order to restore the article to its original operating condition."

119. All goods entering Canada, even those imported temporarily, are subject to duties and taxes (including the goods and services tax/harmonized sales tax (GST/HST)) on their full value, unless there is specific legislation in place that will entirely or partially relieve the importer of this obligation. In the case of aircraft temporarily imported for repair, the customs duties are relieved under tariff item No. 9993.00.00, and the goods qualify for full relief of the GST/HST under the provisions of paragraph 3(d) of the *Non-Taxable Imported Goods (GST/HST) Regulations*. For further information on temporarily importing goods under tariff item No. 9993.00.00 see Memorandum D8-1-1.

#### Aircraft for Alteration

120. For the purposes of a good imported temporarily for alteration, an "alteration" is defined as "a modification, other than a repair, which does not include an operation or process that either destroys the essential characteristics of a good or creates a new or commercially different good." Aircraft imported temporarily for alteration qualify for full relief of the GST/HST under the provisions of Item 16 of the Schedule to the *Temporary Importation (Excise Levies and Additional Duties) Regulations*. However, goods imported temporarily for alteration do not qualify under tariff item No. 9993.00.00. Importers who want to temporarily import goods for alteration should consider the CBSA's duty deferral and drawback programs (see Memorandum D7-4-1, *Duty Deferral Program* and D7-4-2, *Duty Drawback Program*).

#### Aircraft for Demonstration

121. As explained in Memorandum D8-1-9, *Imported Demonstration Aircraft Remission Order*, aircraft may be temporarily imported for demonstration purposes without the payment of the GST.

122. Aircraft imported for demonstration purposes are to be imported on Form E29B, *Temporary Admission Permit*. Any aircraft sold in Canada is to be formally accounted for immediately to cancel Form E29B. See Memorandum D8-1-9 for complete instructions.

## ADDITIONAL INFORMATION AND GUIDELINES

123. The following guidelines and procedures apply to cargo – ACI reported and ACI exemptions.

### Re-manifests

124. When an international air waybill or ACI electronic report ends at a point short of destination and the goods are transferred for shipping in bond, the goods must be re-manifested as outlined in Memorandum D3-1-1. The air carrier transferring the goods provides the secondary shipper with two copies (Long Room and CBSA Delivery Authority) of the cargo control document that clearly show the goods are “In Bond.” If the initial air carrier will be moving the goods beyond the point of destination indicated on the air waybill or electronic ACI report; a cargo control document must be completed for this secondary movement and the cargo control document must clearly show that the goods are “In bond”.

125. All copies of the cargo control document (IATA format air waybill) used to move in-bond goods that have entered the carrier’s system in Canada by a highway, marine, rail, or freight forwarder for shipping to a further destination must have the words “In Bond” typed or clearly stamped in lettering not smaller than 1.2 cm (1/2 inch) in height. The documents are to be processed according to re-manifest procedures outlined in Memorandum D3-1-1. When in-bond goods are received from a freight forwarder for shipping to destination, the goods may move under the freight forwarder’s cargo control document and responsibility. In this case, the air waybill must not be presented to the CBSA, as this creates duplicate manifests within the CBSA inventory system. The air waybill should be marked “Cargo covered by the freight forwarder’s cargo control document. Do not manifest or report to the CBSA.” The freight forwarder’s document serves as notice of arrival to the importer or consignee. For further information concerning freight forwarder procedures, refer to Memorandum D3-3-1, *Forwarded and Consolidated Cargo – Import Movements*.

### Air Shipments in Highway Service Between Canadian Airports

126. Post-audit air carriers may use the services of highway carriers for shipping air cargo between the initial Canadian airport of discharge and a second Canadian airport for CBSA clearance and release under the following conditions:

- (a) the air carrier has filed a minimum of \$25,000 security with the CBSA;
- (b) the cargo is transported under the international air waybill to the destination airport indicated in the “Airport of Destination” field;
- (c) the air carrier is responsible for the goods.

127. This procedure only applies to movements between two points in Canada.

### Delivery Requirements and Transfers to Sufferance

128. Cargo arriving by air should be reported to a type AA or AH air sufferance warehouse.

129. Cargo may be transferred to another airline’s sufferance warehouse when the cargo is for shipping by air to another CBSA office or for export.

130. Cargo may be transferred to a type CW air sufferance warehouse on either the original air cargo control document or on freight forwarder’s housebills, provided the warehouse is licensed to receive the freight and the CBSA has been given the carrier authorization to move the goods. In both cases, the cargo control document must show the location of the cargo.

131. Cargo arriving by highway, rail, or marine service may be delivered directly to the airport provided:

- (a) the cargo is to be shipped by air from the airport under an air cargo control document, or
- (b) the cargo is to be exported by air from the airport under an air cargo control document where the cargo is to be delivered to a type AA, AH, or CW air sufferance warehouse that is licensed to receive the freight.

### PENALTY INFORMATION

132. For more information on administrative penalties, please refer to Memorandum D22-1-1, *Administrative Monetary Penalty System (AMPS)*. Information on AMPS penalties is also available at on the CBSA web site.

133. Other administrative sanctions, such as the revocation of program privileges and penalties of other government departments, may also be applicable.

134. In some situations, failure to comply with the CBSA requirements outlined in the *Customs Act*, may result in the seizure and forfeiture of the goods and/or conveyance, and – in serious cases – criminal charges may be applicable.

### ADDITIONAL INFORMATION

135. Please direct all correspondence to:

Carrier and Cargo Programs  
 Commercial Border Policy Division  
 Admissibility Branch  
 Canada Border Services Agency  
 150 Isabella Street, 4th floor,  
 Ottawa ON K1A 0L8  
 Fax: 613-957-9717

136. For more information on carrier and cargo programs, visit the CBSA Web site.

**APPENDIX A****GLOSSARY OF TERMS**

Words and terms used frequently in this memorandum are defined as follows:

**Cargo Control Document (CCD)** – a manifest or other control document that acts as the record of a shipment entering or exiting Canada e.g. air waybill, A8A(B)

**Carrier Code Number** – means the code number by which a carrier is identified in the CBSA cargo control system. (Numéro de code du transporteur)

**Consolidation** – a number of separate shipments grouped together by a consolidator or freight forwarder to form a single shipment, and shipped under one cargo control document. (Envoi groupé)

**Deconsolidation** – that process whereby a consolidated shipment is divided into individual shipments consigned to various consignees. (Envoi dégroupé)

**Diversión** – the rerouting of a shipment, prior to arrival at the destination CBSA office, sufferance warehouse or breakbulk facility indicated on the cargo control document, to a CBSA release point other than that shown on the cargo control document. (Déroutement)

**In Transit** – the movement of foreign goods through Canadian territory from a point outside Canada to another foreign point, as well as Canadian goods moving from a point in Canada, through the U.S.A. to another point in Canada. (En transit)

**Re-manifest** – is a new cargo control document, with a new cargo control number, that is presented to change a cargo control document that had previously been submitted to the CBSA. Re-manifests are generally presented to change destination office or carrier code. (Nouveau manifeste)

**Split-shipment** – portions of one shipment covered by one air waybill enter the country at different times. (Expédition fractionnée)

**APPENDIX B****INSTRUCTIONS FOR COMPLETING THE IATA AIR WAYBILL**

The following fields must be completed for CBSA use:

1. Airport of Departure – Indicate the IATA three- letter code of the airport of departure (or city when the airport is unknown).
2. Cargo Control Number – This number includes the carrier code and the cargo control number assigned from the carrier’s air waybill series. A CBSA assigned carrier code is made up of four characters (one alpha, two digits, and a hyphen) or will be the same as the carrier’s IATA prefix code if the CBSA was able to match the IATA accounting code when the CBSA carrier code was assigned. This cargo control number cannot be duplicated for a one-year period.
3. Shipper’s Name and Address – Indicate the complete name and address of the person or company shipping the goods.
4. Consignee’s Name and Address – Indicate the complete name and address of the person or company importing the goods.
5. Handling Information – For transborder air shipments entering Canada in the service of a highway carrier, indicate in the “Handling Information” field the U.S. point of exit, that is, the U.S. point at which, or nearest to which the land-surface carrier transporting the goods crosses the border of the U.S. into Canada.
6. Number of Pieces – Indicate the quantity of goods being imported. If a number of goods are being reported, the number of packages must be totalled. In the case of bulk loads, e.g., unpackaged meat or bolts, one unit load device (ULD) is acceptable as a piece count.
7. Gross Weight – Indicate the weight of the shipment in pounds or kilograms. Weight must be totalled.
8. Nature and Quantity of Goods (including dimensions or volume) – Give an accurate, concise description of the goods in common trade terms, and note any marks imprinted on the packages or goods. When goods are consigned to a freight forwarder, “freight of all kinds” or “general merchandise” may be inserted in this field.

**Note:** All copies must be clearly stamped “In Bond” in lettering not smaller than 1.2 cm (½ inch) in height by the transferring carrier or freight forwarder.

**Note:** When goods are consigned to a freight forwarder, the full details of each shipment (shipper, consignee, nature and quantity of goods) must be included on an attached list.

**APPENDIX C****INSTRUCTIONS FOR COMPLETING THE IATA AIR EXPRESS WAYBILL**

1. Cargo Control Number – This number consists of the CBSA assigned carrier code and the cargo control number assigned from the carrier's air waybill series. This cargo control number cannot be duplicated for a one-year period.
2. Shipper's Account Number – This field for use by the shipper is optional.
3. From Shipper (Name) – indicate the complete name and address of the person or company shipping the goods.
4. Consignee Account Number – This field for use by the carrier is optional.
5. To Consignee/Name/Company/Address – Indicate the complete name and address of the person or company importing the goods.
6. Location of Type of Service – In this box, the carrier may indicate the type of service and brand name or commercial description of the express products offered, and from which the shipper may select.
7. Handling Information – For transborder air shipments entering Canada in the service of a highway carrier, indicate in the "Special Handling" field the U.S. point of exit, that is, the U.S. point at which, or nearest to which the land surface carrier transporting the goods crosses the border of the U.S. into Canada.
8. Number of Pieces – Indicate the quantity of goods being imported. If a number of goods are being reported, the number of packages must be totalled.
9. Gross Weight – Indicate the weight of the shipment in pounds or kilograms. Weight must be totalled.
10. Full and Complete Description of Contents (including dimensions or volume) – Give an accurate, concise description of the goods in common trade terms, and note any marks imprinted on the packages or goods.

**APPENDIX D****CALCULATION OF SECURITY IN THE AIR MODE**

1. The classes of aircraft outlined in this memorandum reflect those specified in Section 2 of the *Air Transportation Regulations*. Although these classes only apply to aircraft operated by Canadian entities under the licence issued to them by the Canadian Transportation Agency (CTA), for CBSA security calculation purposes the classes apply to both Canadian and non-Canadian aircraft.

**Passenger Aircraft**

2. Passenger aircraft are categorized as “small, medium or large” as defined in the *Air Transportation Regulations* and based on the certified maximum passenger carrying capacity for that type and model of aircraft.

3. As defined in the *Air Transportation Regulations*:

“small aircraft” means an aircraft equipped for the carriage of passengers and having a certificated maximum carrying capacity of not more than 39 passengers;

“medium aircraft” means an aircraft equipped for the carriage of passengers and having a certificated maximum carrying capacity of more than 39 passengers but not more than 89 passengers; and,

“large aircraft” means an aircraft equipped for the carriage of passengers and having a certificated maximum carrying capacity of more than 89 passengers.

**All-Cargo Aircraft**

4. Aircraft equipped for “all-cargo” operations will, for the purpose of calculating security requirements as specified in this Memorandum, be categorized according to the aircraft’s maximum certified take off weight (MCTOW). An aircraft with an MCTOW of 75,000 lbs. or less will be considered as being a “small or medium aircraft” and will be subject to a \$10,000 per aircraft minimum (maximum \$80,000 per fleet); whereas, an aircraft with an MCTOW of more than 75,000 lbs. will be considered as a “large aircraft” and will be subject to a \$20,000 per aircraft minimum (maximum \$80,000 per fleet).

5. As defined in the *Air Transportation Regulations*, “all-cargo aircraft” means an aircraft that is equipped for the carriage of goods only.

6. Security required ranges from a minimum of \$10,000 per aircraft for small and medium aircraft, and a minimum of \$20,000 per aircraft for large aircraft, with a maximum of \$80,000 per fleet.

**Note:** A “fleet” consists of all aircraft owned, operated, or registered to the company, organization, or division indicated on the bond, and is not determined by the number of units intended to be used in the provision of the international service being offered.

7. For information regarding aircraft classes/groupings, licences and CTA charter flight notification, please contact the Canadian Transportation Agency at the address or telephone numbers listed below. For CTA licensing information, please see the Canadian Transportation Agency’s Web site.

Secretary  
Canadian Transportation Agency  
Ottawa ON K1A 0N9

819-997-6359 (during regular business hours)  
613-769-6274 (after regular business hours)

## REFERENCES

<p><b>ISSUING OFFICE –</b></p> <p>Carrier and Cargo Programs Section</p>	<p><b>HEADQUARTERS FILE –</b></p> <p>7705-2</p>
<p><b>LEGISLATIVE REFERENCES –</b></p> <p><i>Customs Act</i>  <i>Air Transportation Regulations</i>  <i>Non-Taxable Imported Goods (GST/HST) Regulations</i>  <i>Reporting of Imported Goods Regulations</i>  <i>Temporary Importation (Excise Levies and Additional Duties) Regulations</i></p>	<p><b>OTHER REFERENCES –</b></p> <p>D1-2-1, D3-1-1, D3-1-7, D3-1-8, D3-2-1, D3-3-1,  D3-4-2, D5-1-1, D7-4-1, D7-4-2, D8-1-1, D8-1-9, D8-2-5,  D8-2-16, D17-1-2, D17-1-5, D22-1-1  <i>ACI Air Client Document</i></p>
<p><b>SUPERSEDED MEMORANDA “D” –</b></p> <p>D3-2-2, May 12, 2000 and  D3-2-3, March 21, 2000</p>	

Services provided by the Canada Border Services Agency are available in both official languages.

