

MEMORANDUM D5-1-5

Ottawa, September 29, 1995

SUBJECT

DAMAGED MAIL

This Memorandum outlines and explains the procedures for the handling of damaged mail and defines the areas of responsibilities for repackaging.

**GUIDELINES AND
GENERAL INFORMATION**

1. Customs' liability in respect of Damaged Goods is outlined in subsection 40 (1.1) of the *Canada Post Corporation Act*: "Her Majesty and the Minister of National Revenue may be liable for any claim arising from the loss, delay or mishandling of anything posted while it is under the custody or control of a customs officer".
2. In some instances, international mail items are received in Canada with the wrapping in a damaged condition. Canada Post Corporation (CPC) is responsible for the repair to the packaging of any mail item damaged while in the course of post or while in customs control at the Customs Mail Centres. CPC is also responsible for the rewrapping of any mail items which are opened for a customs examination.
3. When a mail item with a damaged wrapper is found at the primary sorting area, the following procedures would apply:
 - (a) The particulars and extent of damage are to be noted on the outside cover of the mail item and the endorsement initialed by both customs and CPC employees.
 - (b) The postal employee will rewrap or repair the mail item in his work area but the rewrapping must not be completed until customs has the opportunity to gather the information required for the *Customs Postal Import Form*, Form E 14 (see paragraph 5).
4. If the customs officer determines that the mail item is not dutiable, customs is to stamp "Cleared Customs" and CPC is to stamp "Repaired by Canada Post" during the rewrapping process in preparation for delivery.
5. If the customs officer determines that the mail item is dutiable or subject to control, customs is to complete Form E 220, *Parcel Pre-rate Label*, prior to forwarding the mail item to CPC. CPC rewraps the mail item and returns it to customs' secondary processing area with Form E 220 attached. The customs officer in the secondary area will use the damaged goods comments section in the automated system to record that customs received the mail item in damaged condition.
6. When opening a mail item for customs examination, care is taken not to damage the contents. However, when a customs officer inadvertently damages the contents, he must make a full report on the circumstances and extent of the damage to the customs superintendent. The customs officer may close the mail item with tape to avoid losing the contents but it is CPC's responsibility to rewrap it before it is delivered to the importer.

Customs must advise the importer that a claim for the damages can be filed with the Department. Damage claims are to be processed in accordance with the claim regulations outlined in Financial Administration bulletin F-95-003, *Claims and Ex Gratia Payments*.

7. When mail items are opened for customs examination and the contents are discovered to be damaged or broken, the customs officer is to indicate in the damaged goods comment screen of the computer that the mail item was received in damaged condition. He must also mark "Received in Damaged Condition" on the outside wrapper of the mail item. If the contents are dutiable and or taxable, a *Customs Postal Import Form*, Form E 14, is to be used to indicate the amount owing. The rating is to reflect the actual value of the goods in the damaged condition and is to be established in accordance with sections 73 to 75 of the *Customs Act*.
