

Trade Matters

A Newsletter on Customs & International Trade

No. 7 February 2001

Are You Ready for AMPS?

The Administrative Monetary Penalty System will apply civil penalties to importers, exporters, carriers and Customs Brokers for technical infractions of the Customs Act, it's regulations and many related Acts and regulations. For a draft of the complete list of infractions, go to: <http://www.ccrac-adrc.gc.ca/customs/general/amps/contraventions-e.html>. Under this new regime we expect that importers will have a much higher risk of being penalized. As Customs Brokers we strive to minimize our clients exposure to penalties and will continue to under this new regime. We believe that this will result in a big change in the way customs deals with their clients and it will require a higher degree of compliance of all customs regulations on the part of importers. We encourage importers to be proactive to determine their exposure under this program and would welcome the opportunity to discuss your profile. A final draft of penalties will be out soon and the bill is expected to pass sometime in the spring. Implementation has recently been delayed from April 1, 2001 to the end of **October 2001**.

Mandatory HS

As of **October 29, 2001**, traders will be obliged to supply mandatory HS codes at the time of release. Customs will require ten-digit HS classifications for the highest value invoice line for both paper and electronic releases. The Harmonized Commodity Description and Coding System is an international goods classification system developed by the Customs Co-operation Council. In Canada, the classification number consists of ten digits. This ten-digit number is subdivided at various levels to provide greater detail and definition for a product. The first 6 digits represent the international portion of the number and are the numbers that all countries agreeing to the Harmonized System Convention use. The last four digits reflect Canadian tariff and statistical requirements. So what are the ramifications? Importers may

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need to convince their foreign suppliers of the need to put these classification numbers on their export documents.

Foreign Exporters will need to supply these numbers on their export

documentation and Customs Brokers will need to ensure that their releasing staff is trained in HS classification. This requirement will further encourage electronic transmission of release information to Customs before goods arrive.

Name changes

We would like to encourage our clients to inform us of any changes in their company name. In our experience, our customers are very diligent at formally advising address changes but seldom do we receive formal notification of company name changes. As we communicate electronically to various government departments on your behalf, it is becoming increasingly important. For example this will minimize the chance of clearance delays caused by confusion over the importer of record. This will also allow us to update our records including keeping all Power of Attorneys current.

Export Documentation 101

Regardless of which country you are exporting your goods too, it is extremely important that your export documentation is complete and accurate. It is very difficult to correct an error or even find out what the error is, when your goods are stuck in Customs somewhere overseas. When in doubt about overseas requirements, it is highly recommended that you consult with your customs broker, freight forwarder or the chosen carrier. If they do not immediately know the answer, they usually have an agent at destination that they can consult with. There are also trade manuals with these answers. Even though every country is different, there are some common areas that can cause problems:

- Description of Goods – is this in a manner and language that Customs at destination will be able to identify the product and in enough detail to enable a Customs Broker to classify?
- Value of Goods – If there is a transaction value then this requirement is usually fairly straightforward but if this is a no charge item you must show a valid commercial value. Few Customs administrations accept a \$0.00 value.
- Quantities and Weights – Ensure that the quantities and weights on the invoice match the other shipping documents. Ensure that you have shown the commodity in a unit of measure required in the country of destination

- Origin of Goods – Make sure that the country of origin declared on the documentation matches the actual origin of the goods and it is the country the goods were manufactured not just exported from.

CSA

Customs Self Assessment (CSA) is a combined new release and accounting service option that include features such as extended time frames to account for goods based on monthly reporting, minimized transactional and release documents and the replacement of Customs processes with inventory systems as the signal to provide assessment information. Importers preferably with the help of their Customs professionals will need to do a careful cost benefit analysis to determine if this program is worth pursuing. Importers must have sufficient business systems and a detailed audit trail to track imports. Their Customs system must be linked to inventory and accounting in such a way to enable a complete and accurate report. Implementation of CSA has also been delayed until the end of **October 2001**

New Combined Invoice

Our new invoice combines the old blue B3 Canada Customs Coding Form and our previous invoice format into one page resulting in a reduction in paper and printing requirements. This is a fairly significant change in the way we do business. We feel that this will result in a reduction in paper processing that will result in improved service to our customers. Secondly, it will improve our productivity and streamline our invoicing process. Each invoice to you will include one remittance copy including all necessary back up. We have strived to make this as reader friendly as our current system will allow. We will always be looking to make improvements, so we welcome your feedback.

What's happening @Courtney?

Voice Mail – Many of you may have noticed that we recently acquired a new phone system that gives us many advantages which includes a voice mail system. At Courtney we believe that it is very important that you talk directly with a person and the person you want to talk to whenever possible. We will not hide behind voice mail. We just think of it as an additional tool that if used properly can add a convenience to our clients and even improve communication.

New additions to our team

- * **Bernie Lahmann** - Business development and Sales - Bernie has extensive experience in Customs Brokerage, Warehousing and Freight. Bernie has his professional Customs Brokerage license as well as a CIFFA and IATA degree. He also has a Business Administration Degree from UBC and his CGA.
- * **Theresa Boubille** - Theresa has worked for our busy Pacific Highway office for 9 years and this year joined our downtown office. She brings with her extensive experience in working with customers, and suppliers and has extensive clerical experience.
- * **Paul and Agnes Lee** – Paul and Agnes bring with them many years experience in the freight forwarding and Marine carrier industry. They also bring to Courtney a closer connection to the Asian community.

In Memory

Mr. Richard S. Courtney 1925 - 2000

Our founder, **Mr. Richard (Dick) S. Courtney** recently passed away on August 9, 2000. Dick was born and grew up in New Westminster, B.C.. He served in the Canadian Air Force during WWII. In 1955 he started **Courtney Agencies Ltd** as primarily a ship's agency in the port of New Westminster at which time was the main port on the west coast of Canada. He worked diligently over the years growing the business into one of the leading customs brokers in Vancouver. Dick was also a co-founder of **Pacific Customs Brokers**. Dick was highly respected by many in the transportation industry as well as the people who worked for and with him. Those who knew him will fondly remember him. He is survived by his wife and two sons who are building on his legacy.

Our email address: info@courtney.bc.ca

If you have an E-Mail address, we would like to know:

Name: _____

Company: _____

E-Mail address: _____

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We publish trade Matters on an occasional basis as a service to our customers.

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