

## Logistics Border Tips

Having a good foundational understanding of trade and customs rules and regulations is paramount to ensuring cross-border trade success. This knowledge will assist in understanding the regulatory framework involved in the movement of goods across borders and with the relationship with the Customs Broker and Freight Forwarder respectively.

When importing goods into Canada, a customs broker can help by determining the country of origin and manufacturer of the goods to be imported. The broker can determine if the goods are controlled, prohibited or regulated by the Customs Agency or any other government department. A decision must be made as to how your goods will arrive from the manufacturer/producer to the customer or final destination point. Typically, the services of a freight forwarder are enlisted to perform this function.

The freight forwarder assists in decisions such as mode of transportation whether by highway carrier, marine, air or rail. Forwarders arrange for the goods to be shipped, complete required export documentation, and ensure proper export through all export clearance procedures. Both customs brokers and freight forwarders utilize Incoterms (International Commercial Terms) which provide a common set of rules for the international terms of trade used most often. Incoterms are international rules accepted by governments, legal authorities and practitioners.

The purpose of Incoterms is to alleviate uncertainty in shipping terms and contracts by clearly outlining the party obligated to take responsibility for and/or insure goods at particular points in the shipping process. Moreover, the terms outline the obligations for the clearance of goods for export or import and packing requirements. Because goods are moving into a country, D terms typically involve the services of a customs broker and a freight forwarder.

### **Where will my shipment cross the border?**

1. This depends on the destination of the shipment and its origin
2. There are eight Canada/U.S. Customs gateway locations:
  - a. Detroit/Windsor, Ontario
  - b. Niagara Falls, Ontario/Lewiston, Ontario
  - c. Niagara Falls, N.Y./Peace Bridge, Ontario
  - d. Port Huron, Mich./Sarnia, Ontario
  - e. Blaine, Wash./Pacific Highway, British Columbia
  - f. Champlain, N.Y./Lacolle, Quebec



- g. Pembina, N.D./Emerson, Manitoba
- h. Sweetgrass, Mont./Coutts, Alberta

### **Document Checklist for Canadian Shippers**

- 1. Minimal Requirements:
  - a. Bill of lading
  - b. Packing list
  - c. Commercial invoice
- 2. Other documents (possibly required):
  - a. NAFTA Certificate of Origin
  - b. Transportation and Exportation (T & E) Customs Bond
  - c. Export License for regulated products (e.g. firearms, alcohol, tobacco)

### **Steps a Shipper/Importer May Take to Expedite Border Crossing**

- 1. Provide all information regarding the product (manufacturing and assembly process, components, etc.)
- 2. Possibly ship a product sample for advance classification and inspection
  - a. This process may prevent delays

### **Company Eligibility for Third Party Logistics (3PL)**

- 1. Company is licensed and/or bonded by the Department of Transportation; Transportation Security Administration; Federal Maritime Commission; or U.S. Customs and Border Protection
- 2. Company must be involved directly in the management and handling of the cargo at any point in the international supply chain
- 3. Manage and execute functions of logistics using personal transportation, consolidate or warehouse resources and assets for the client company
- 4. Possess a staffed U.S. office
- 5. No subcontracting beyond a second party unless to other CTPAT members
  - a. No "double brokering"

### **Prior to Importing into Canada**

- 1. Have a GST number activated for imports
- 2. Have a customs broker (recommended but not required)

3. Ask supplier for:
  - a. A copy of the commercial invoice
    - i. Three copies should be included on the outside of the box
  - b. A copy of the packing list
  - c. If goods were manufactured in North America, ask supplier for a completed and signed NAFTA Certificate
4. Talk with your broker concerning the amount of duty on the goods and any other possible fees
5. Call CBSA to retrieve any required permits before importing (e.g. fish import license)

### **Prior to Exporting into Canada**

1. If goods are valued over \$2000, complete a B13-A Export Declaration
  - a. This is not required if shipping to the U.S., regardless of value amount
2. Complete a commercial invoice
3. If shipping to another country in North America, complete a NAFTA Certificate
4. Ask the U.S. consignee for their TAX ID number, if shipping to the U.S.
5. Have a customs broker (recommended but not required)
6. Be aware that release of items at/from customs usually takes one hour
  - a. May take up to 3-4 hours if other government departments are required (e.g. Transport Canada, Canadian Food Inspection)
  - b. Pre Arrival Review System (PARS) shipments arrive from the USA by truck and are pre-released
    - i. The truck driver will have the PARS barcode attached to the commercial invoice
    - ii. Driver will have the documents faxed to the broker a minimum of two hours prior to crossing (if not, PARS will not be successful)

**Disclaimer:** *The material on our website is intended for informational purposes and does not constitute professional or legal advice.*