



Ottawa, April 10, 2014

Memorandum D13-11-7

Establishing the Value for Duty of Imported Rescue Animals

In Brief

The editing revisions made in this memorandum do not affect or change any existing policies or procedures.

This memorandum provides information on determining the value for duty of rescue animals that are imported into Canada.

Legislation

Sections 44 to 55 of the [Customs Act](#).

Guidelines and General Information

1. The value for duty (VFD) of all goods imported into Canada must be established in accordance with the provisions set out in sections 44 to 55 of the [Customs Act](#) (the Act).

Primary Basis of Appraisal (Section 48 of the Act)

2. The primary basis of establishing the VFD of imported goods is the transaction value method. Where goods are sold for export to Canada, to a purchaser in Canada, and the price paid or payable (PPP) of the goods can be determined, the transaction value method is to be used to determine the VFD. The PPP is defined as all of the payments made or to be made by the purchaser to or for the benefit of the vendor.

3. Where a sale price or an adoption fee has been charged by a vendor in connection with the importation of a rescue animal, this amount will be considered as the PPP and will be the basis for establishing the VFD of the rescue animal using the transaction value method. Any additional costs incurred by the purchaser in the country of export related to the importation of the animal (e.g., veterinary charges, foreign permits) and paid separately from the PPP must also be included in the VFD of the imported animal.

4. The cost of permits acquired in Canada or veterinary charges paid in Canada are typically incurred by the purchaser after importation and are not paid to or for the benefit of the vendor; as such, they do not form part of the VFD.

5. If no money is paid by the importer to acquire the rescue animal, the VFD must be determined using an alternate valuation method. These methods must be applied in the order set out in [the Act](#). No VFD shall be determined on the basis of arbitrary or fictitious amounts.

Alternate Methods of Appraisal (Sections 49 to 53 of the Act)

6. When the transaction value method cannot be applied, the VFD must be determined using the alternate valuation methods set out in sections 49 to 53 of [the Act](#).

7. In such cases, the PPP for identical or similar goods may be used as the basis for establishing the VFD. For example, a person pays the equivalent of \$200.00 CAD for a rescue dog and imports it into Canada. The price paid to the vendor is declared as the VFD. The following month, the person imports another rescue dog of the same

breed and of a similar age, from the same vendor, but does not pay for the second dog. The VFD of \$200.00 CAD declared by the importer for the first dog can reasonably be used to determine the VFD of the second dog at the time of its importation.

8. In another instance, a person imports rescue cats, for which no money is paid to the exporter, for the purpose of selling them in Canada. The VFD can be established by using the selling price in Canada and deducting from it the amount of profit earned and any related expenses incurred by the person in Canada (e.g., veterinary charges, permits obtained in Canada).

9. The VFD established under these alternate valuation methods should be fair, reasonable, uniform, neutral, and reflect commercial reality. The VFD is based on information provided by the importer or other information that is available in Canada.

Supporting Documentation

10. An importer should collect and maintain all documentation relevant to the importation of rescue animals in support of the declaration of the VFD. The Canada Border Services Agency (CBSA) retains the right to challenge the VFD declared by the importer.

Additional Information

11. Please note that this policy directive is intentionally limited in its scope and is intended only to address the determination of the VFD of rescue animals. There are other requirements applicable to the importation of rescue animals that should be determined by consulting the appropriate government department or agency.

12. Any person wishing to obtain advice on how to establish the VFD of rescue animals prior to the importation may request a ruling from the CBSA. For more information, refer to [Memorandum D11-11-1, National Customs Rulings \(NCR\)](#).

13. For more information, call contact the [CBSA Border Information Service](#) (BIS):

Calls within Canada & the United States (toll free): **1-800-461-9999**

Calls outside Canada & the United States (long distance charges apply):

1-204-983-3550 or 1-506-636-5064

TTY: **1-866-335-3237**

[Contact Us online](#) (webform)

[Contact Us](#) at the CBSA website

References

Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	79070-4-9
Legislative References	Customs Act
Other References	D11-11-1
Superseded Memorandum D	D13-11-7 dated September 6, 2012