



Ottawa, January 15, 2010

MEMORANDUM D19-10-3

In Brief

ADMINISTRATION OF THE *EXPORT AND IMPORT PERMITS ACT* (EXPORTATIONS)

1. This memorandum has been updated to reflect changes to the Canada Border Services Agency's (CBSA) role in administering the provisions of the *Export and Import Permits Act*. (EIPA)
2. Terminology has been updated to reflect changes in the CBSA's organizational structure
3. Sections 24 and Sections 25 of the EIPA were added in the Legislation heading to outline the border services officer's duties and authorities under the EIPA.
4. In Paragraph 2, reference to the applicable legislation, the *Export Control List* and the *General Export Permits* are now available on the Department of Justice Web site.
5. In Paragraph 3, there is new information on methods of permit application; online and paper.
6. In Paragraphs 7,8 and 9 there are updates and new information on goods moving in transit
7. In Paragraphs 10-16 there are updates and new information on export permit procedures, reporting requirements and detention of goods.
8. In Paragraph 17, there is new information on Administrative Monetary Penalties (AMPs) on failure to meet export permits requirements when exporting goods.
9. In Paragraphs 18-20 there is new contact information.
10. In Appendices A-E there are updates and new information on the *Export Control List* (ECL), *Area Control List* (ACL), Export Permit form and export permit procedures.





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The Canada Border Services Agency (CBSA) assists Foreign Affairs and International Trade Canada (FAITC) with the administration of the *Export and Import Permits Act*. This memorandum outlines the requirements and permit procedures for the exportation of goods listed in the *Export Control List* and for the exportation of goods to the countries listed in the *Area Control List*.

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LEGISLATION

Export and Import Permits Act

Sections 3 and 4 of the *Export and Import Permits Act* outline the authorization for establishing the *Export Control List* and *Area Control List*.

“3. The Governor in Council may establish a list of goods and technology, to be called an *Export Control List*, including therein any article the export or transfer of which the Governor in Council deems it necessary to control...”

“4. The Governor in Council may establish a list of countries, to be called an *Area Control List*, including therein any country to which the Governor in Council deems it necessary to control the export or transfer of any goods or technology.”

Section 10 of the *Export and Import Permits Act* deals with the authorization for amending or altering permits.

“10.(1)...the Minister may amend, suspend, cancel or reinstate any permit, certificate or other authorization issued or granted under this Act.”

Section 13 includes prohibitions under the *Export and Import Permits Act*.

“13. No person shall export or transfer, or attempt to export or transfer, any goods or technology included in an *Export Control List* or any goods to any country included in an *Area Control List* except under the authority of and in accordance with an export permit issued under this Act.”

Border services officer's duties

24. All officers, as defined in the *Customs Act*, before permitting the export or transfer of any goods or technology or the import of any goods, shall satisfy themselves that the exporter, importer or transferor, as the case may be, has not contravened any of the provisions of this Act or the regulations and that all requirements of this Act and the regulations with reference to the goods or technology have been complied with.

25. All officers, as defined in the *Customs Act*, have, with respect to any goods or technology to which this Act applies, all the powers they have under the *Customs Act* with respect to the importation and exportation of goods, and all the provisions of that Act and the regulations under it respecting search, detention, seizure, forfeiture and condemnation apply, with such modifications as the circumstances require, to any goods or technology that is tendered for export, transfer or import or is exported, transferred or imported or otherwise dealt with contrary to this Act and the regulations and to all documents relating to the goods or technology.

GUIDELINES AND GENERAL INFORMATION

Introduction

1. The *Export and Import Permits Act* gives the Governor in Council the authority to establish various control lists. This Act establishes the *Export Control List* and the *Area Control List*. This Act allows the Minister of Foreign Affairs to issue export permits and to alter, suspend, cancel, and reinstate any permit issued under this Act. This Act also outlines offences, penalties, border service officers' duties, and the application of powers under the *Customs Act*. It also gives to the Governor in Council the authority to establish Regulations pertaining to the administration of this Act.

2. The *Export and Import Permits Act*, the *Export Control List*, the *Area Control List* and the *General Export Permits* may all be found on the Justice Canada Web site at <http://laws.justice.gc.ca/en>.

Export control

3. Export permits issued by Foreign Affairs and International Trade Canada are required for the exportation of products listed in the *Export Control List* and for the exportation of any goods or technology to countries named in the *Area Control List*, except in cases where such products are permitted exportation under the authority of *General Export Permits*. Appendices A and B to this memorandum provide explanations on the *Export Control List* and the *Area Control List*.

4. An application for an export permit shall be filed with the Export Controls Division, Export and Import Controls Bureau, Foreign Affairs and International Trade Canada. Export permit applications are made online using the Export Controls Online (EXCOL) system. Export permits are typically issued in electronic form and the exporter may print copies directly. Paper applications may also be made using forms that are available on the following Web site: www.exportcontrols.gc.ca. When an application has been approved and signed by or in the name of the Minister of Foreign Affairs it becomes a valid export permit. The exporter presents a copy of the export permit to the CBSA prior or at time of exporting the goods from Canada. A copy of an EXCOL export permit may be found in Appendix C

5. As an exception to the foregoing, applications for permits for the export of logs and pulpwood from British Columbia shall be submitted to the:

Department of Industry
9th Floor
650 West Georgia Street
P.O. Box 11610
Vancouver BC V6B 5H8

Telephone: 604-666-0434
Facsimile: 604-666-8330

6. Certain goods may be exported under the authority of *General Export Permits*. In such cases, it is not necessary to apply for individual export permits. The *General Export Permit* number must be quoted in the export permit field of the export declaration and the CBSA must be satisfied that the export does fall within the terms of the general permit.

Controlled goods moving in transit from the U.S. through Canada

7. Goods in bond arriving from a point in the United States, in transit through Canada, and en route to a third country, must be accompanied by the appropriate cargo control document. This is either Form 7525-V United States *Shipper's Export Declaration* (SED), or a Shippers Authorization Symbol (SAS)/Company Authorization

Symbol (CAS) issued by the United States Department of Commerce to companies participating in the Automated Export Reporting Program. This program allows participants to file electronic export data, on a monthly basis, instead of filing individual shipper's export declarations at the time of exportation. If the exporter is using an SAS/CAS, then the notation "NO SED required, Section 30.39, Foreign Trade Statistics Regulations (FTSR), SAS or CAS__" (i.e., any two alphabetical characters), shall be cited on the cargo control document. In these cases, the goods are considered to be exempt from Canadian export permit requirements. If neither a United States Form 7525-V, a SAS nor a CAS is presented to the CBSA, the goods will be consider as an importation into Canada and re-export to a foreign country, then the exporter will require a Canadian export permit issued by the Foreign Affairs and International Trade Canada to export the goods from Canada.

8. The United States Form 7525-V, or a copy of the cargo control document quoting the SAS or CAS must be filed with the CBSA at the Canadian point of departure. The CBSA will check and date stamp the shippers' export declarations. A sample of Form 7525-V is found in Appendix D.

9. For further information, refer to Item 5401 (Goods in Transit), of the *Export Control List*, in *A Guide to Canada Export Controls* published by FAITC and available on the following Web site: www.exportcontrols.gc.ca.

Export permit procedure

10. CBSA officers and exporters should check the export permit with respect to the following for accuracy of completion (see Appendix A to this memorandum):

- (a) ensure the export permit has a permit number;
- (b) verify that the permit is still in effect or has not expired;
- (c) verify that the exporter is the same as the one listed on the export declaration, or on any other export documentation.
- (d) verify that the goods described on the permit are the same as those described in the export declaration or in the cargo control documents;
- (e) verify that the quantity stated on the export declaration matches the quantity stated on the permit;
- (f) ensure the permit has been authorized/issued by Foreign Affairs and International Trade Canada.

11. Border service officers shall date stamp and initial the permit.

12. Once the permit has been validated, CBSA officers should return it to the Strategic Export Control Section **or**, held in the region, as part of the export report, according to the procedure set out in Appendix E to this memorandum.

13. Appendix E to this memorandum describes further the permit procedure and relevant responsibilities. Additional information may be found in D20-1-1, *Export Reporting*.

Amendments to Permits

14. Necessary amendments to permits may be authorized by the Export and Import Controls Bureau. Types of amendments include: differences in permit and shipment quantities, extensions of validity and expiry dates, cancellations, etc. The *Reporting of Exported Goods Regulations* (D20-1-0) require that an accurate permit must be presented to the CBSA at the place of exit of the goods from Canada and within the legislated reporting time frame for the particular mode of transportation. For further information on amendments to permits contact the Export and Import Controls Bureau.

Detention

15. The CBSA will detain the goods and advise the exporter to contact the Export and Import Controls Bureau when:

- (a) no permit is presented;
- (b) the goods are not as described on the permit;
- (c) the quantity to be exported is greater than the quantity authorized on the permit;
- (d) the permit is not yet in effect or has expired;
- (e) there is uncertainty about the validity of the permit and/or the status of the goods

16. Under the above circumstances, the goods are not to be exported until a valid export permit is presented or the permit discrepancy has been brought to the attention of and resolved by the Export and Import Controls Bureau.

Penalty Information

17. Every person who violates any of the provisions or regulations of the *Export and Import Permits Act* is guilty of an offence and is liable:

- (a) on summary conviction, to a fine not exceeding \$25,000, or to imprisonment for a term not exceeding 12 months, or to both fine and imprisonment, or
- (b) on conviction upon indictment, to a fine in an amount that is at the discretion of the court, or to imprisonment for a term not exceeding ten years, or to both fine and imprisonment.

18. Additionally the exporter may be subject to a CBSA Administrative Monetary Penalty System (AMPS) penalty. For example, the exporter could be issued an AMP for failure to provide an export permit when required and in accordance with the legislated time frames or if the information in the export permits is not true, accurate or complete. For more information on AMPS penalties see the CBSA website at www.cbsa.gc.ca. The exporter may also be subject to enforcement action and penalties under a number of other acts and regulations including the *Customs Act*, the *United Nations Act* and other acts regulating the nuclear goods licensed by the Canadian Nuclear Safety Commission or items controlled by Health Canada.

Additional Information

19. Questions concerning the issuance of export permits should be directed to:

Export Controls Division
Foreign Affairs and International Trade Canada
111 Sussex Drive
Ottawa, ON K1A 0G2

Telephone: 613-996-2387 (general enquiries) or
613-996-5711 (detentions, English) or
613-996-0197 (detentions, French)

Fax: 613-996-9933

Web site: www.exportcontrols.gc.ca

20. Questions concerning the CBSA administration of these procedures should be directed to:

Licensing, Export and Accounting Policy Division
Canada Border Services Agency
Ottawa ON K1A 0L8

Telephone: 613-954-7160

Fax: 613-946-0241

21. Questions concerning any CBSA enforcement issues or voluntary disclosure should be directed to:

Strategic Export Controls Section
Canada Border Services Agency
Ottawa ON K1A 0L8

Telephone: 613-954-4936

Fax: 613-952-7793

APPENDIX A***EXPORT CONTROL LIST***

1. The *Export Control List* is divided into seven groups. The groups are as follows:
 - (a) Group 1 – Dual Use Goods
 - (b) Group 2 – Munitions;
 - (c) Group 3 – Nuclear Non-Proliferation;
 - (d) Group 4 – Nuclear Related Dual Use;
 - (e) Group 5 – Miscellaneous Goods;
 - (f) Group 6 – Missile Technology Control Regime;
 - (g) Group 7 – Chemical and Biological Weapons Non-proliferation;
2. In general terms, the following goods, when intended for export to the destinations specified, are subject to export control for the purposes set out in section 3 of the *Export and Import Permits Act*:
 - (a) items listed in Groups 1, 2, 6 and 7 to all destinations other than the United States (with some exceptions as noted in the *Export Control List*, in the publication *A Guide to Canada's Export Controls*);
 - (b) items listed in Group 3 and 4 to all destinations; and
 - (c) items listed in Group 5 to any destination mentioned in the specific ECL item.
3. Items under each group in the *Export Control List* can be found in the publication *A Guide to Canada's Export Controls* at the following Foreign Affairs and International Trade Canada Web site: **www.exportcontrols.gc.ca**.

APPENDIX B***AREA CONTROL LIST***

1. The *Area Control List* identifies countries that are subject to export controls. Currently Myanmar (Burma) and Belarus are the only countries on the *Area Control List*.
2. The export of any goods to any of the countries listed in the *Area Control List* must be covered by an export permit and the goods must not be released until an individual permit is obtained.

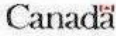
APPENDIX C

FORM EXT 1042, APPLICATION FOR PERMIT TO EXPORT GOODS

Please see all appropriate forms/applications at www.exportcontrols.gc.ca.

| Permit Number N° de licence: | | Reference Identification N° de référence: | | Permit Valid From Licence valide à partir du: | | Permit Valid To Licence valide jusqu'au: | | Page Number Nombre de pages: Page 1 of / de 2 | |
|---|---|--|----------------------|---|---|--|--|---|--|
| Exporter / Exportateur Name / Nom: Address / Adresse: City / Ville: Province / State / État: Country / Pays: | | | | Applicant / Requéant Name / Nom: Address / Adresse: City / Ville: Province / State / État: Country / Pays: | | | | | |
| EICB No. / N° de DGCEI: | | EICB No. / N° de DGCEI: | | EICB No. / N° de DGCEI: | | EICB No. / N° de DGCEI: | | EICB No. / N° de DGCEI: | |
| Postal Code / Code postal: | | Telephone No. / N° téléphone: | | Facsimile / Télécopieur: | | Postal Code / Code postal: | | Telephone No. / N° téléphone: | |
| Contact / Responsable: | | Contact / Responsable: | | Contact / Responsable: | | Contact / Responsable: | | Contact / Responsable: | |
| Intermediary Consignee Name Nom du destinataire intermédiaire: | | Street Address, City / Adresse de voirie, ville: | | | | Country / Pays: | | | |
| Final Consignee Name Nom du destinataire final: | | Street Address, City / Adresse de voirie, ville: | | | | Country / Pays: | | | |
| ECL No. (s): N° de LMEC: | | | | | | | | | |
| Item No. N° d'article | Country of Manufacture Pays de fabrication | Description | Quantity Quantité | Unit Measure Unité de mesure | Unit Value (\$CAD) Valeur unitaire (\$CAD) | Total Value (\$CAD) Valeur totale (\$CAD) | | | |
| The total value of all goods proposed for export against this permit is (\$CAD) : La valeur de toutes les marchandises autorisées à être exportées en vertu de cette licence s'élève à (\$CAD) : | | | | | | | | | |
| Terms and Conditions / Conditions | | | | | | | | | |

ITC 1043 (2005-07-18)



APPENDIX D

FORM 7525-V, UNITED STATES SHIPPER'S EXPORT DECLARATION

U.S. DEPARTMENT OF COMMERCE – Economics and Statistics Administration – U.S. CENSUS BUREAU – BUREAU OF EXPORT ADMINISTRATION
 FORM **7525-V** (7-18-2003) **SHIPPER'S EXPORT DECLARATION** OMB No. 0607-0152

| | | | | | |
|---|---|---|--|--|---|
| 1a. U.S. PRINCIPAL PARTY IN INTEREST (USPPI) (Complete name and address) | | ZIP CODE | | 2. DATE OF EXPORTATION | 3. TRANSPORTATION REFERENCE NO. |
| b. USPPI'S EIN (IRS) OR ID NO. | c. PARTIES TO TRANSACTION <input type="checkbox"/> Related <input type="checkbox"/> Non-related | | | | |
| 4a. ULTIMATE CONSIGNEE (Complete name and address) | | | | | |
| b. INTERMEDIATE CONSIGNEE (Complete name and address) | | | | | |
| 5a. FORWARDING AGENT (Complete name and address) | | | | | |
| 5b. FORWARDING AGENT'S EIN (IRS) NO. | | | 6. POINT (STATE) OF ORIGIN OR FTZ NO. | 7. COUNTRY OF ULTIMATE DESTINATION | |
| 8. LOADING PIER (Vessel only) | 9. METHOD OF TRANSPORTATION (Specify) | | 14. CARRIER IDENTIFICATION CODE | 15. SHIPMENT REFERENCE NO. | |
| 10. EXPORTING CARRIER | 11. PORT OF EXPORT | | 16. ENTRY NUMBER | 17. HAZARDOUS MATERIALS <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 12. PORT OF UNLOADING (Vessel and air only) | 13. CONTAINERIZED (Vessel only) <input type="checkbox"/> Yes <input type="checkbox"/> No | | 18. IN BOND CODE | 19. ROUTED EXPORT TRANSACTION <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 20. SCHEDULE B DESCRIPTION OF COMMODITIES (Use columns 22-24) | | | | | |
| D/F or M (21) | SCHEDULE B NUMBER (22) | QUANTITY – SCHEDULE B UNIT(S) (23) | SHIPPING WEIGHT (kilograms) (24) | VIN/PRODUCT NUMBER/ VEHICLE TITLE NUMBER (25) | VALUE (U.S. dollars, omit cents) (Selling price or cost if not sold) (26) |
| 27. LICENSE NO./LICENSE EXCEPTION SYMBOL/AUTHORIZATION | | | 28. ECCN (When required) | | |
| 29. Duly authorized officer or employee | | The USPPI authorizes the forwarder named above to act as forwarding agent for export control and customs purposes. | | | |
| 30. I certify that all statements made and all information contained herein are true and correct and that I have read and understand the instructions for preparation of this document, set forth in the "Correct Way to Fill Out the Shipper's Export Declaration." I understand that civil and criminal penalties, including forfeiture and sale, may be imposed for making false or fraudulent statements herein, failing to provide the requested information or for violation of U.S. laws on exportation (13 U.S.C. Sec. 305; 22 U.S.C. Sec. 401; 18 U.S.C. Sec. 1001; 50 U.S.C. App. 2410). | | | | | |
| Signature | | Confidential – Shipper's Export Declarations (or any successor document) wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest (Title 13, Chapter 9, Section 301 (g)). | | | |
| Title | | Export shipments are subject to inspection by U.S. Customs Service and/or Office of Export Enforcement. | | | |
| Date | | 31. AUTHENTICATION (When required) | | | |
| Telephone No. (Include Area Code) | | E-mail address | | | |

Clear fields 1 to 19

Clear Fields 20 to 26

Clear Fields 27 to 31

Clear all fields

This form may be printed by private parties provided it conforms to the official form. For sale by the Superintendent of Documents, Government Printing Office, Washington, DC 20402, and local Customs District Directors. The "Correct Way to Fill Out the Shipper's Export Declaration" is available from the U.S. Census Bureau, Washington, DC 20233.

APPENDIX E**EXPORT PERMIT PROCEDURE**

The following chart outlines the permit procedure and delineates the respective responsibilities of the exporter, Foreign Affairs and International Trade Canada, and Canada Border Service Agency offices.

| Action | Responsibility |
|---|---|
| 1. Apply for permit. | Exporter |
| 2. Receive application, assess goods against the Export Control List, and review the application. | Foreign Affairs and International Trade |
| 3. If application acceptable, issue permit to exporter. | Foreign Affairs and International Trade |
| 4. Present permit and the export declaration within the legislated timeframes to the CBSA at the place of exit stated on the permit or if no place is stated, at the CBSA office closest to where the goods will leave Canada. | Exporter |
| 5. Review the permit to ensure the information matches that of the attached export declaration: (a) permit quantity, value shipped and description with, export declaration, or the cargo control document; (b) effective and expiry dates of permit; (c) issuance on behalf of the Minister of Foreign Affairs. | Canada Border Services Agency |
| 6. Validate permit as to quantity, value, etc., for export. | Canada Border Services Agency |
| 7. Allow goods to be exported | Canada Border Services Agency |
| 8. Once a week, return validated export permits for strategic goods to the Strategic Export Controls Section: Strategic Export Controls Section Canada Border Services Agency 300 Slater Street, 6th Floor Ottawa ON K1A 0L8 | Canada Border Services Agency |
| 9. Retain in the regions all other validated export permits for all other groups of the ECL, which are presented to customs, as part of the export reports. | Canada Border Services Agency |
| 10. If necessary, take enforcement action. | Foreign Affairs and International Trade |
| 11. If necessary, take enforcement action. | Canada Border Services Agency |

REFERENCES

| | |
|---|---|
| <p>ISSUING OFFICE –</p> <p>Partnership Division Admissibility Branch Canada Border Services Agency</p> | <p>HEADQUARTERS FILE –</p> |
| <p>LEGISLATIVE REFERENCES –</p> <p><i>Customs Act</i>, (1985, c.1 2nd supp.) <i>Export and Import Permit Act</i>, section 3, 4, 10, 13, 24, 25 (R.S., 1985, c.E19)</p> | <p>OTHER REFERENCES –</p> <p>D20-1-0 D20-1-1</p> |
| <p>SUPERSEDED MEMORANDA “D” –</p> <p>D19-10-3 dated February 16,1996</p> | |

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

