



Canada Border
Services Agency

Agence des services
frontaliers du Canada

Ottawa, August 18, 2011

MEMORANDUM D2-2-2

In Brief

SETTLERS' EFFECTS ACQUIRED WITH BLOCKED CURRENCIES

This memorandum has been modified to reflect the updated name of the issuing office.



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Ottawa, August 18, 2011

MEMORANDUM D2-2-2

SETTLERS' EFFECTS ACQUIRED WITH BLOCKED CURRENCIES

This memorandum outlines and explains the conditions under which settlers to Canada may import goods acquired abroad with blocked currencies without paying duties.

Settlers' Effects Acquired With Blocked Currencies Remission Order

C.R.C., c.790

Financial Administration Act

Order Respecting the Remission of Duties, Including the Tax Imposed Under Division III of Part IX of the *Excise Tax Act*, Payable on Settlers' Effects Acquired Abroad With Blocked Currencies by Settlers Who Immigrate Into Canada

Short Title

1. This Order may be cited as the Settlers' Effects Acquired With Blocked Currencies Remission Order.

Interpretation

2. In this Order,

"duties" means duties as defined in section 2 of the *Customs Act*; (droits)

"goods" means household and personal effects imported by a settler for the settler's use but not for use by the settler in a business or manufacturing establishment or as a contractor's outfit; (marchandises)

"settler" means any person who enters Canada with the intention of establishing, for the first time, a residence for a period of not less than 12 months, but does not include a person who enters Canada for the purpose of

(a) employment for a period not exceeding 36 months,

(b) studying at an educational institution, or

(c) performing preclearance activities on behalf of the Government of the United States under the terms of the Agreement on Air Transport Preclearance between the Government of Canada and the Government of the United States of America, signed January 18, 2001. (immigrant)

SI/78-118, s. 1; SI/88-18, s. 2; SI/2005-77, s. 1.

Remission

3. Remission is hereby granted of the duties, including the tax imposed under Division III of Part IX of the *Excise Tax Act*, payable on the importation of goods into Canada by a settler within three years after the settler's arrival in Canada where

(a) the settler emigrated to Canada from a country that applies restrictions on the transfer of capital of emigrants therefrom to Canada; and

(b) the goods are imported by the settler from the country from which the settler emigrated to Canada where they were purchased by the settler or on the settler's behalf with funds that were on deposit in that country to the settler's credit at the time the settler emigrated.

SI/78-118, s. 2; SI/88-18, s. 2; SI/91-8, s. 2; SI/2005-77, s. 2(E).

Conditions

4. Remission of duties, including the tax imposed under Division III of Part IX of the *Excise Tax Act*, pursuant to this Order is conditional on the settler who imports the goods retaining them for the settler's own use for at least 12 months after the date of importation thereof, and, where any such goods are sold or otherwise disposed of by the settler within 12 months after the date of importation, duties are forthwith due and payable by the settler in an amount equal to the lesser of

(a) the duties that, but for this Order, would have been payable on importation into Canada of the goods sold or otherwise disposed of; and

(b) the duties payable on the appraised value of the goods at the time of the sale or other disposal thereof.

SI/88-18, s. 2; SI/91-8, s. 2.

GUIDELINES AND GENERAL INFORMATION

1. In order to claim free importation of goods under the provisions of the Settlers' Effects Acquired With Blocked Currencies Remission Order, it will be necessary for the settler to satisfy the Canada Border Services Agency at the

time of importation that the country from which the settler emigrated does in fact apply restrictions on the transfer of capital by emigrants to Canada and that, due to such restrictions, the currency on deposit could not be exported at the time of emigration.

2. Settlers from countries that apply currency restrictions may have up to three years to import goods purchased with blocked funds on deposit in the former country of domicile prior to their arrival in Canada without reference to the ownership, possession and use requirements abroad. (See Memorandum D2-2-1, *Settlers' Effects – Tariff Item No. 9807.00.00.*)

3. The importation of goods under the provisions of this Order is to be accounted for on Form B15, *Casual Goods Accounting Document*, showing the Order in Council number. A cross-reference should also be made to any previous settlers' accounting form where the value of goods to be acquired with blocked funds was declared.

REFERENCES

<p>ISSUING OFFICE –</p> <p>Traveller Border Programs Division Border Programs Directorate Programs Branch</p>	<p>HEADQUARTERS FILE –</p> <p>9807.00</p>
<p>LEGISLATIVE REFERENCES –</p> <p><i>Financial Administration Act</i>, section 17 Order in Council P.C. 2005-1500, August 31, 2005, as amended C.R.C., c. 790, as amended</p>	<p>OTHER REFERENCES –</p> <p>D2-2-1</p>
<p>SUPERSEDED MEMORANDA “D” –</p> <p>D2-2-2, February 13, 2008</p>	

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