

# Commercial invoice or Canada Customs Invoice (CCI): Your declaration

Canada Customs and Revenue Agency requires several basic items of information to be provided for all commercial shipments to Canada, regardless of the release method used. To fulfill this requirement, it is necessary to present, in English or in French, a comprehensive commercial invoice, a duly completed Canada Customs Invoice or, alternatively, attached to a Canada Customs invoice which provides the information not included in the commercial invoice.

Memorandum D1-4-1 sets out and explains Canada Customs' minimum requirements respecting invoices for goods imported into Canada (see table « Canada Customs requirements as applied to invoices »). A Canada Customs Invoice may be completed by an exporter, an importer, an owner or their respective agents. The 25 fields of the official form represent all of the information required by Customs when goods are imported. A commercial invoice may be drawn up in any way whatsoever, but it must satisfy the requirements of Canada Customs in this regard.

Invoice requirements must be met at the provisional declaration stage of an RMD, in the case of participants in the Customs Automated Data Exchange (CADEX) system, and upon filing the final detailed declaration, for non-participants.

To have your goods released, several factors must be taken into consideration. The importance of a duly completed invoice can never be overstated. Indeed, the invoice on which your customs declaration is based is all the more important in that it serves to establish whether or not import license (permit) is required, whether or not we require the authorization of other government departments, the customs value of your goods, their classification, the choice of the most favorable tariff treatment, whether or not GST or other taxes are applicable and according to the origin of the goods, whether or not a certificate or proof of origin is required or whether a trade embargo has been imposed on goods originating in a given country. In our capacity as customs broker, we obtain most of our relevant information from your commercial invoice or Canada Customs Invoice.

Information most often overlooked from commercial invoices includes the following: date of direct shipment to Canada, country or countries of origin, currency of payment and various costs (freight, insurance, packaging for export, etc.) included in the total amount invoiced. Such information can be added to the commercial invoice at a later date.

Other types of information should also be included on the invoice to accelerate release and avoid any form of ambiguity. In some cases, the reason for importing may have an impact on documents to be completed. For instance, temporary imports (e.g. for a trade fair) and the importation of catalogues and commercial samples (with no commercial value) have specific features which affect conditions of release.

Terms of sale are necessary to determine the customs value of goods. Any obligations resulting from a term of sale will enable us to determine costs which may be deducted from the value indicated on the invoice.

The country of origin must be clearly shown on the invoice; should a Canada Customs Revenue Agency inspection show that the origin on the invoice is different from that shown on the goods, the latter could be seized.

Should it be discovered that one or more items of information are missing, we are required to contact the customer, who is in turn required to reply in writing, more often than not by fax, to provide the missing information. In some cases, we may contact the same customer a few weeks later to obtain the same information missing from an invoice for the same type of goods. As customs broker, we cannot take for granted that a supplier will always purchase a given product in the same country. Indeed, a U.S. supplier may occasionally, for a variety of reasons, dip into his inventory of U.S.-made products, just as he may also, for a variety of reasons, order his products from Taiwan. To avoid having your goods seized because of a false declaration, we always contact our customers to ensure that we are obtaining reliable, bona fide information.

IT must also be remembered that any false declaration can lead to the seizure of goods and that it is the importer's responsibility to ensure the authenticity of information provided by the supplier.

We highly recommend that you advise your suppliers to provide a very detailed description of your goods on the commercial invoice. This aspect is, unfortunately, all too often neglected. Indeed, given the scope and complexity of the Harmonized System, several items of information are required to properly classify a good and, as a result, to determine the applicable customs duty rate. For example, the phrase « upholstered chair » provides a very explicit – although incomplete – description. In fact, an upholstered domestic chair with a wood frame is subject to a rate of 9.5% (MFN), whereas the rate for an upholstered domestic chair with a metal frame is only 8% (MFN). This example highlights the importance of a detailed description and of close cooperation with your suppliers.

Should it prove impossible for your supplier to provide you with a comprehensive commercial invoice and a highly detailed description, you should forward the missing information to us in writing (by fax or mail). Should one or more items of information still be missing, we will then be required to get in touch with you.

Your commercial or customs invoice is a crucial document for any transborder transactions. Because it is used as your declaration to Canada Customs Revenue Agency, it will determine the duties and taxes which you will be required to pay for your import activities.

## Canada Customs Requirements as applied to Invoices

The following is a list, along with a brief description, of the various items of information which must be provided on a Canada Customs Invoice or on a commercial invoice.

Term	Description or example	Term	Description or example
<b>Vendor:</b>	Name and address of the person (firm) selling the goods to the purchaser or shipping the goods to Canada.	<b>Currency of payment:</b>	Currency in which the vendor requires payment.
<b>Consignee:</b>	Name and address of the person (firm) in Canada to whom (which) the goods are shipped, as indicated on the bill of lading and control documentation.	<b>Number of packages:</b>	CTN, palets, etc.
<b>Purchaser:</b>	If different from consignee, the person (firm) to whom (which) the goods are sold.	<b>Designation of articles:</b> <i>Nature of package:</i> <i>General description and features:</i> <i>Commercial description :</i>	(Cases, box, etc.)  Description in general terms Designation identifying goods, i.e. style or code number, size and dimensions under which item is know in country of production or export.
<b>Date of direct shipment to Canada:</b>	Date on which the uninterrupted transportation of goods to Canada was initiated.		<i>Condition of goods if not new, should appear on the invoice (e.g. oddments, discontinued, clearance or obsolete items).</i>
<b>Country of transhipment:</b>	Country through which goods were shipped in transit to Canada under Customs control.	<b>Quantity:</b>	Quantity of each item mentioned in the « description » field.
<b>Country of origin:</b>	For Customs purposes, the country of origin of manufactured goods is that in which the goods are grown, produced or manufactured. Each and every manufactured item on the invoice must, in its current state ready for export to Canada, have undergone a substantial transformation in the country designated as country of origin. Activities such as packaging, allotment and sorting are not sufficient for purposes of determining a country of origin.	<b>Unit Price:</b>	Value of each item mentioned in the « description » field.
<b>Transportation:</b>	Specify the mode of transportation and the location from which the uninterrupted transportation of goods to Canada was initiated. In determining customs value, this item will make it possible to identify which costs may be deducted from the transaction value.	<b>Total:</b>	Price paid or payable in the currency of payment for the number of items indicated. Where there is no price, the abbreviations S/O or N/A should be indicated. A value must be indicated for Customs purposes.
<b>Term of sale and terms of payment:</b>	Incoterms FOB, CIF ... 2% discount ...	<b>Total weight:</b>	Net weight and gross weight.
		<b>Total invoice:</b>	Total price for the goods described on the invoice. Even where there is no sale, imported goods have a value which must be declared.

All of this information, regardless of presentation, constitutes your declaration.