Supplier Guide- Exporting To Canada:

A "How-To" Guide to Simplify the Shipping and Customs Process

Document 172-003

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Content

Introduction to this Guide

Canada and the United States enjoy the world's largest trading partnership. Each day, over $1 billion in goods and services crosses the border between the two countries.

However, despite the similarities between their economies and their close geographic proximity, shipments to Canada cross an international border, and therefore are subject to customs regulations. This requires exporters to Canada to develop a distinct shipping preparation process to ensure that the mandatory information requirements of the Canadian government are met.

Failure to do so can result in shipment delays, customer dissatisfaction and lost business, and even financial penalties levied by government officials.

This guide has been produced to give exporters a simple yet comprehensive document to assist them with shipping their goods to Canada. In this document, you will find a step-by-step guide to properly preparing shipments for export to Canada:

Key Supply Chain Players In Exporting to Canada

A brief description of the players and their roles in a successful cross-border supply chain

Preparing Customs Documentation

Mandatory customs documentation requirements and automated tools to help your firm complete forms quickly and accurately

Understanding NAFTA Basics

A brief overview of NAFTA and how to avoid common exporter errors

As well, you will also find a *"Glossary of Terms"* and *"Additional Resources"* where you will find additional information on shipping to Canada.

Key Supply Chain Players in Exporting to Canada

This section covers the key players in the cross-border supply chain:

- the exporter
- the carrier
- the customs broker
- the importer
- the non-resident importer, and,
- the Canada Border Services Agency (CBSA)

The Exporter

The exporter, who may also be known as the shipper or the vendor, is responsible for shipping the goods. It is generally the exporter who supplies the documentation/information required to send the goods to Canada. A list of mandatory documents to be completed by the exporter is contained on page 4 of this guide.

Once completed, documentation/information is given to the carrier who presents them to the customs broker selected by the importer.

The Carrier

The carrier, meaning the person or company that transports the goods, is responsible for preparing a cargo control document (CCD), also known as a manifest, waybill or advice note. This cargo control document is used to report the shipment to the Canada Border Services Agency (CBSA).

It is the carrier who submits the CCD to the customs broker along with the other shipper paperwork provided by the exporter. The exporter prepares the bill of lading and provides copies of it to the carrier and importer.

The Customs Broker

Customs brokers are licensed by the Canadian government to carry out customs-related responsibilities on behalf of their clients, the importer of record.

Services provided by customs brokers include:

- Shipment clearance through the CBSA: obtaining, preparing and presenting or transmitting the necessary customs release documents or data required by the CBSA and other government departments
- Shipment accounting to the CBSA: calculating and paying duties and taxes on behalf of the importer as part of a full accounting package that is submitted to the Canadian government
- Shipment transportation facilitation: arranging for local delivery of goods in the Canadian market and paying carrier charges as required on behalf of the importer

The Importer / Importer of Record

The importer of record, meaning the Supplier/Vendor is responsible for the payment of all duties and taxes to the Canada Border Services Agency (CBSA) and accuracy of information presented to the CBSA and, ultimately, is liable for any fines or penalties resulting from missing or inaccurate information.

The importer is also responsible for ensuring he or she has all the necessary import permits and special certificates. In most cases, importers hire a customs broker to obtain this information on their behalf.

Importers are also required to keep books and records to substantiate what goods were imported, quantities, prices paid and origin of the goods. These records must be kept in Canada, in either paper or electronic format, for six years from the end of the calendar year in which the goods are imported.

Canada Border Services Agency (CBSA)

The Canada Border Services Agency (CBSA), previously known as the Canada Customs and Revenue Agency, is the federal government department responsible for ensuring compliance with Canada's tax, trade and border legislation and regulations. It is also responsible for making sure that all other government department (OGD) requirements are met before goods are allowed to enter Canada.

All necessary customs documentation pertaining to goods being imported into Canada are submitted to the CBSA for approval to release the goods into Canada. The CBSA reserves the right to deny access to any goods into the country, to search or seize the imports, or request additional information about any and all goods imported into Canada.

Under Canada's Customs Act, the CBSA has the authority to inspect shipments to verify compliance, or take samples to verify reporting and content. The frequency of examinations depends on the importer's compliance record as well as the record of other persons or organizations involved with the shipment and/or the type of goods that are being imported.

There may be costs associated with the examination of an importer's shipment, for loading and unloading cargo and for the customs officer's time, if the examination takes place at a location other than a designated customs facility, or if after-hours service is required. These costs are the importer's responsibility.

As well, the CBSA has the authority to levy financial penalties to importers under a relatively new system called the Administrative Monetary Penalty System (AMPS). AMPS addresses non-compliance with customs legislative and regulatory requirements.

Preparing Customs Documentation

Customs documents are the set of documents required by a customs authority to accurately and completely identify goods which are being imported. Every country has its own specific rules and regulations governing information and documentary requirements.

Mandatory Documents to Clear Customs

If you are exporting goods to Canada, the documentation set out below should accompany each shipment. A complete description of each document is contained in this section.

Document	Issued By
1. Bill of Lading	Exporter
2. Manifest or Cargo Control Document	Carrier
3. Canada Customs Invoice or Commercial Invoice	Exporter
4. Import Permits (if goods fall under Canadian OGD categories)	Importer / Broker
5. NAFTA Certificate of Origin (if goods have been qualified as NAFTA eligible)	Exporter
6. Shipper's Export Declaration (if goods are deemed as controlled exports)	Exporter / Broker

Note: if the value of the goods is less than $ 1,600 (CD$), the commercial invoice is sufficient and the more extensive information covered by the Canada Customs Invoice is not required, however it is ArcelorMittal Tubular Product Canada Inc.'s preference for the Supplier to use the Canada Customs Invoice at all times to ensure complete information is provided and can be confirmed.

Optional Documents to Assist in Expediting Clearance Through Customs

The following document is not mandatory; however, they are helpful to customs officials in making a determination on border release and therefore can assist in ensuring an expedited release.

Document	Issued By
1. Packing List	Shipper / Exporter

Description of Mandatory Documents

Bill of Lading

The bill of lading (BOL) is a document, issued to a carrier by an exporter, which describes the goods to be shipped. The carrier acknowledges their receipt and the BOL states the terms of the contract for their carriage. The shipper is responsible for completing the bill of lading and providing the completed document to the carrier at the time the shipment is sent. The carrier signs a copy of the bill of lading before departure, as evidence of the transfer of goods from the exporter to the carrier.

Manifest or Cargo Control Document

A manifest is an itemized list of the contents of the shipment, to be shown to officials for customs clearance. Another name for the manifest is cargo control document (CCD). The most commonly used manifest is a Highway Form A8A.

The carrier prepares the manifest/CCD based on the information provided by the shipper. The carrier must provide the customs broker with a manifest/CCD for the broker to obtain a release from Customs.

A manifest/CCD has its own identifier, called the cargo control number. Once submitted and accepted by Customs, the manifest and cargo control number are monitored by Customs to ensure the proper clearance and closure of the shipment.

Commercial Invoice or Canada Customs Invoice

A commercial invoice is the basic document from which the buyer or importer pays the vendor or exporter. On import shipments, the commercial invoice generally serves a dual purpose: to enable the exporter to collect his/her money and to assist the importer in clearing the goods through Customs.

For border clearance purposes, the CBSA accepts either a commercial invoice or a Canada Customs Invoice. The commercial invoice does not need to conform to a rigid format. The exporter or manufacturer is free to set out the information in any format they choose, **provided that the prescribed data elements found on the Canada Customs Invoice (CCI) are included.** It is ArcelorMittal Tubular Product Canada Inc.'s preference for the Supplier to use the Canada Customs Invoice at all times to ensure complete information is provided and can be confirmed. To download a copy: http://www.cbsa-asfc.gc.ca/E/pbg/cf/ci1/README.html or http://www.farrow.com/customforms2.html

Commercial Invoice or Canada Customs Invoice con't

Specifically, the following information must be included and be clear, accurate and precise:

- Vendor/exporter full legal name, IRS #, address, and country
- Consignee full name and address, IRS #, BUN (should match Purchase Order and invoice to customer)
- Detailed description of each item being shipped
- Net and gross weights (net weight excludes packaging)
- Unit price of each item using the currency of settlement (should match unit of measure agreed to on Purchase Order)
- Extended price
- Currency of settlement
- 10 digit Canadian Harmonized System Classification tariff number
- Country of Origin
- Terms of delivery and terms of payment
- Date on which goods began continuous journey to Canada
- Reference numbers (purchaser's order no.)
- Import licenses (if applicable)
- Freight charges/insurance (included or excluded from the invoice total amount)

To download a Canadian Customs Invoice use the following link:
http://www.cbsa-asfc.gc.ca/E/pbg/cf/ci1/README.html

Import Permits
The Canada Border Services Agency (CBSA) assists other government departments (OGDs) in the administration of their legislation as it relates to the importation, in-transit movement and exportation of various commodities, through the management of over 30 different OGD government acts.

Many goods subject to other government department requirements need special permits, certificates or other paperwork, in addition to the standard customs documentation. In some cases, shipments may require examination by customs officers to verify marking or proper labeling. In others, qualified inspectors, working on behalf of the OGD in question, must review the documentation and/or examine the goods prior to release.

Often the data needed to satisfy OGD requirements is not normally provided with the shipment. It must then be supplied by the importer to the customs broker at the time of customs entry.

OGDs are becoming more stringent with regard to imports. What's more, new, additional OGD requirements are being implemented all the time. It is crucial that your customs broker be aware of these regulations to ensure correct processing and compliance of your shipments subject to OGD requirements.

Industries Subject To OGDs:

Industry	Canadian Other Government Department
Food and food-related products	Agriculture and Agri-food Canada
Apparel goods, textile articles, steel products	International Trade Canada
Animals, plants and certain wood products	Environment Canada
Energy-consuming products	Natural Resources Canada
Pre-packaged consumer products	Industry Canada
Motor vehicles and tires	Transport Canada
Drugs, medical devices, hazardous products	Health Canada

NAFTA Certificate of Origin (Required Only if Goods Have Been NAFTA Certified for Eligibility)

If goods are eligible for preferential NAFTA tariff treatment, the exporter or producer of the goods must provide a certificate of origin declaring that the goods meet the NAFTA eligibility requirements. This certificate must be in the importer's possession and available to Customs when the goods enter the country.

For repetitive shipments to Canada of the same products, a "blanket" NAFTA certificate can be held on file by the importer and exporter. It is ArcelorMittal Tubular Products Inc.'s preference to have a blanket NAFTA on file to ensure NAFTA preferential treatment can be claimed on the shipment. Sending with shipment could lead to NAFTA being misplaced or not being given to the Customs broker with other Customs documentation. The NAFTA certificate should be offered to the Purchaser (Importer) at time of order placement.

Important Note: A NAFTA Certificate of Origin must be completed and accompany a shipment only if the goods have been properly qualified as NAFTA-eligible. See: **Understanding NAFTA Basics** for more information on NAFTA.

If Customs finds a certificate of origin to be invalid, duties can be assessed retroactively with interest. Financial penalties under the AMPS program can also be assessed and the exporter (Supplier) can lose NAFTA trading privileges.

Top 5 Exporter Errors when completing a NAFTA Certificate of Origin

Top 5 Exporter Errors

When Completing a NAFTA Certificate of Origin

1. Completing a certificate without having properly qualified the goods under NAFTA rules
2. Misinterpretation of "Preference Criteria" descriptions; use of criteria "A" when not applicable
3. Signature and title on certificate does not indicate an employee with knowledge of NAFTA and product qualification/eligibility (i.e. Clerk)
4. Insufficient product description for customs officers to determine nature of product; or use of product codes or brand names for description
5. Field "9" of form: indicating a dollar value rather than the intended indication of "NC" or "NO" to specify whether "regional value content" was used to calculate net costs.

<u>Shipper's Export Declaration (SED)</u>

A shipper's export declaration is required if the goods are being exported from the U.S. and are controlled exports. In order to determine if the goods being exported are controlled, you must refer to the Commerce Control List. This list and all regulations applying to the declaration can be found by contacting the Bureau of Export Administration at the U.S. Department of Commerce (web site: http://www.census.gov/foreign-trade/regulations/forms/index.html)

The SED must be prepared in English, be typewritten or in other non-erasable medium. The original should be signed (signature stamp acceptable) by the exporter (U.S. principal party in interest) or its authorized forwarding or other agent. In all cases where a forwarding or other agent is preparing a SED or AES record on behalf of a principal party in interest (i.e. U.S. or foreign), the principal party in interest must authorize the forwarding or other agent to prepare and sign and file the SED or transmit the AES record on its behalf through a formal power of attorney, or written authorization.

Description of Optional Documents

Packing List

The packing list is the detailed list of contents of the shipment, including quantities, items, model numbers, dimensions and net and gross weights. A packing list should specify per carton or crate the number and type of units of material inside.

The shipper gets the packing list ready at the time the goods are being is prepared for shipping. There is no standard format for packing lists. Although it is not a required customs document, the packing list is often used by the customs broker to obtain additional information about the shipment, and may help to avoid border delays and phone calls to gather more information about the shipment.

Additional Notes On Documentation

Country of Origin

The customs definition of "country of origin" is a legal determination referring to the country in which the goods were *substantially manufactured* and does not refer to the country from which the goods were shipped.

It is imperative the country of origin of the goods be indicated on the shipment documentation as it is a key component for establishing whether or not preferential tariff treatment is applicable.

A certificate of origin is used to support the country of origin claimed on the CBSA B3 accounting document. The country of origin of the goods determines duty rates and import requirements or restrictions.

Marking Requirements

Marking Requirements are the responsibility of the Supplier. Please refer to the Canada Border Services Agency website for specific rulings and regulations:

http://www.cbsa-asfc.gc.ca/E/pub/cm/d11-3-1/d11-3-1-e.html

Important Note: Requirements for marking country of origin should not be confused with Industry Canada's labeling requirements. For specifics on packaging and labeling requirements covering language, ingredient listings, weights and measures, warning labels, etc., check Industry Canada's website at:

http://cb-bc.gc.ca/epic/internet/incb-bc.nsf/vwGeneratedInterE/cp01035e.html

Understanding NAFTA Basics

The North American Free Trade Agreement (NAFTA) is the comprehensive trade agreement signed by Canada, the United States and Mexico. It enables importers to substantially reduce or even eliminate duties *provided that* they can prove that their products meet very specific eligibility requirements.

Products exported from a NAFTA-member country may be eligible for preferential NAFTA tariff treatment if it can be proven that the goods originated in a member country. Products made from materials not originating in a NAFTA-member country may also be eligible for preferential tariff treatment if sufficient North American processing can be established.

In order to be eligible for NAFTA preferential treatment, goods must meet one of a number of possible rules of origin. To determine which rule of origin applies to a particular product, the product is analyzed in depth. Exporters must have a meticulous audit trail in order to benefit fully from NAFTA provisions without risking serious penalties for inadequate proof of origin.

NAFTA certificates of origin are valid for 12 months. After 12 months, the products covered on the certificate should be reviewed for changes in product content to ensure that they still qualify under NAFTA rules, and a new certificate must be created.

Customs administrations are stepping up regulatory audits of companies claiming preferential NAFTA treatment. It is critically important that importers, exporters and producers maintain proper files and retain all origin-related records for five years. Those who do not comply face substantial retroactive duties and serious penalties

Low-value shipments by courier

The *Low-Value Shipment (LVS) Courier Program* is a special, streamlined customs release process that has attracted the participation of some couriers. A low-value shipment is one that is imported into Canada and that is valued at less than $1,600 (CDN).

Certain shipments cannot be released under the *LVS Courier Program*. Goods, for example, subject to other government department (OGD) regulations, such as goods that require import permits, are not eligible for release under this program. Instead, they are subject to normal documentation and release procedures.

Procedures for Low-Value Shipment Courier Program:

1. Exporter provides courier with the necessary shipping and customs documents.
2. Courier creates a sort between high-value and low-value shipments. A Consist List report of low-value shipments is generated. The Consist List is the cargo or release document generated by the courier, which lists the shipments (from multiple vendors) that have arrived at the port of entry.
3. Prior to arrival at the border, the courier provides copies of the Consist List to Canada Customs. Customs will make a release or examination determination.
4. If Customs has requested an examination of the goods, the courier will make the goods available for inspection.
5. If Customs has approved the release of the shipment, the courier is free to deliver the goods to your Canadian customer.
6. Customs broker receives the Consist List and other customs documents from the courier (the courier is most likely already en route delivering the shipment to your Canadian customer).
7. Customs broker reviews the documents for accuracy and completeness.
8. If there is missing or inaccurate information, the Customs broker makes the necessary phone calls to the importer or exporter for additional information or clarification.

Glossary of General Trade Terms

A8A Form	The A8A Form is the most commonly used type of cargo control document used by highway carriers. (See also Manifest and Cargo Control Document.)
Administrative Monetary Penalties System (AMPS)	AMPS is a financial penalty system that allows the CBSA to penalize carriers, importers and customs brokers who are not in compliance with customs regulations and record-keeping requirements.
B3 - Canada Customs Coding Form	The B3 is a detailed form used to account for commercial goods entering Canada. It contains information about the goods such as importer identification, description of the goods, tariff classification, value, country of origin. It is typically completed and submitted by the customs broker.
Bill of Lading	The bill of lading is a contract between a shipper and carrier that provides proof that the merchandise was transferred from the shipper to the consignee and that the carrier has assumed responsibility for the cargo until it is delivered.
Canada Customs Invoice (CCI)	The CCI is a document required to be presented to the CBSA for imports into Canada. It represents one shipment of merchandise, by one consignor to one consignee, by one vessel of conveyance, which clearly identifies the product for classification and appraisal purposes. It also, provides commercial details on the shipment as well as country of origin of the goods and currency of settlement.
Canada Border Services Agency (CBSA)	Previously known as the Canada Customs and Revenue Agency (CCRA), the CBSA administers Canada's trade and customs programs, including collection of duties and taxes.
Cargo Control Document (CCD)	The Cargo Control Document is used by the carrier to report a shipment to the CBSA. The CCD acts as the initial record of a shipment's arrival into Canada and must have a bar-coded cargo control number. This number will be referenced on all documents pertaining to the shipment.
Consist List	A Consist List is a consolidated cargo release list generated by a courier, which lists the shipments (from multiple vendors) that have arrived at a port of entry.
Cost, Insurance, Freight (CIF)	Cost, insurance and freight to a named overseas port where the seller quotes a price for the goods (including insurance), all transportation, and miscellaneous charges to the point of debarkation from the vessel.

Customs Self Assessment (CSA)	Customs Self Assessment (CSA) is a CBSA program for Canadian importers that provides qualified participants with expedited release privileges and streamlined… customs accounting processes.
Customs Tariff	The Customs Tariff is a reference for tariff classifications in Canada. The Customs Tariff is available from the CBSA as well as private vendors including Livingston International.
Delivery Duties Paid	The shipper arranges to pay all of the transportation costs and customs procedures including import duty and tax to the destination. The buyer pays only for the amount on the commercial invoice. Title transfers at the buyer's location.
Delivery Duties Unpaid	The shipper is responsible for all of the cost of transportation and customs procedures except for the duty and tax.
FAST (Free and Secure Trade)	FAST (Free and Secure Trade) is a joint Canada-US border release program designed to provide "fast lane" release privileges to pre-approved importers, carriers, and registered drivers.
Free on Board (FOB)	Free on board at a named port of export where the seller quotes the buyer a price that covers all costs up to and including the loading of goods aboard a vessel.
Goods and Services Tax (GST)	GST is a 5 % tax on the supply of most goods and services in Canada. To "supply" means the provision of property of services in a manner, including sale, transfer, barter, exchange, license, rental, gift, or disposition. For imports into Canada, the GST is typically paid by the importer of record (see also Input Tax Credit).
Harmonized Sales Tax (HST)	HST is a value-added tax that replaces the retail sales tax and the GST in three participating provinces, Newfoundland and Labrador, Nova Scotia, and New Brunswick. HST is applied at a rate of 15 % to taxable supplies of goods and services made in these provinces.
Harmonized System Classification (H.S. Classification, H.S. Code)	The Harmonized System Classification is an international convention that applies a universal code number to a commodity. The code is then used to assign applicable tariff rates to imported goods and gather trade statistics
Input Tax Credit (ITC)	An ITC is a full refund of the GST/HST paid on imports of goods used in the course of the registrant's commercial activities.

Just-in-time (JIT)	JIT is the principal of production and inventory control that prescribes precise controls for the movement of raw materials, component parts, and work in progress. Goods arrive when needed for production or use rather than becoming expensive inventory that occupies costly warehouse space.
Less-than-truckload (LTL)	LTL are shipments that weigh less than the minimum necessary for the application of the truckload rate.
Low Value Shipment (LVS)	A Low Value Shipment is a shipment imported into Canada that does not exceed $1,600 (CDN) in value.
Manifest	A manifest is an itemized list of a shipment's contents. This document is also known as a cargo control document.
North American Free Trade Agreement (NAFTA)	NAFTA is a preferential tariff agreement between Canada, USA and Mexico that allows for the trade of most goods originating in one of the three countries at a reduced or duty-free rate.
NAFTA Certificate of Origin (NAFTA CO or CO)	A NAFTA certificate of origin is a required proof-source to verify qualified NAFTA products for preferential rates of duty.
Non-Resident Importer (NRI)	NRI refers to the legal status of a firm that imports into Canada, assumes all of the financial and compliance obligations related to duty, tax, and customs clearance, yet does not have a physical presence in Canada. NRI's are also responsible for all maintenance of importing records.
Other Government Departments (OGD)	The CBSA assists OGD's in the administration of their legislation as it relates to the importation, in-transit movement and exportation of various commodities. OGD's that impact border clearance include Agriculture and Agri-food Canada (food and food-related products), International Trade Canada (apparel goods, textile articles and steel products), Environment Canada (animals, plants and certain wood products), Natural Resources Canada (energy-using products), Industry Canada (pre-packaged consumer products), Transport Canada (motor vehicles and tires), Health Canada (drugs and medical devices and hazardous products).
Pre-Arrival Review System (PARS)	The Pre-Arrival Review System (PARS) is a border release program, which allows for release information to be processed electronically by the CBSA prior to the physical arrival of goods at the border in order to speed the operation.

Partners In Protection (PIP)	Partners In Protection is a membership program between importers, carriers, customs brokers and Canada Customs to enhance and promote border security.
Purchase Order (P.O.)	A P.O. is a form sent to a supplier that contains all information relevant to the purchase transaction. It describes the products including prices, shipping terms and delivery expectations.
Quebec Sales Tax (QST)	The QST is a tax on the consumption of goods and services in the province of Quebec. It is calculated at the rate of 7.5% and is generally payable, by the recipient of the goods, when the goods are purchased.
Release on Minimum Documentation (RMD)	RMD is the non-expedited method of processing a shipment at Customs. This is a paper release program and requires more manual effort and time to process than PARS.
Shipper's Export Declaration (SED)	A Shipper's Export Declaration is required if the goods are being exported from the U.S. and are controlled exports. In order to determine if the goods being exported are controlled, you must refer to the Commerce Control List published by the Bureau of Export Administration at the U.S. Department of Commerce.
Tariff Classification	The Tariff Classification is a universal coding system used to identify a commodity. In Canada, the classification number is made-up of 10 digits. (See also Harmonized System Classification.)
Transaction Number	A transaction is a single import entry or transaction with the CBSA. The CBSA identifies each import with a unique 14-digit transaction number. This transaction number is used to identify a unique shipment throughout the customs process.

Incoterms

To provide a common terminology for international shipping and minimize misunderstandings, the International Chamber of Commerce developed a set of terms, known as **Incoterms**.

- **Cost and Freight (CFR):** the exporter pays the costs and freight necessary to get the goods to the port of destination, but the risk of loss or damage is assumed by the buyer once the goods are loaded at the port of embarkation.
- **Cost, Insurance and Freight (CIF):** the exporter pays the cost of goods, cargo and insurance plus all transportation charges to the named port of destination.
- **Delivered at Frontier (DAF):** the exporter/seller's obligations are met when the goods arrive at the frontier, but before they reach the Customs border of the importing country named in the sales contract. The expression is commonly used when goods are carried by road or rail.
- **Delivered Duty Paid (DDP):**this expression puts maximum responsibility on the seller/exporter in terms of delivering the goods, assuming the risk of damage/loss and paying duty. It is at the other extreme from the "ex works" expression listed below, under which the seller assumes the least responsibility.
- **Delivered Ex Quay (DEQ):** the exporter/seller makes the goods available to the buyer on the quay or wharf at the destination named in the sales contract, and bears all costs/responsibility up to this point. There are two types of ex quay contracts in use: ex quay duty paid, whereby the seller incurs the liability to clear the goods for import, and ex quay duties on buyer's account, whereby the buyer assumes this responsibility.
- **Delivered Ex Ship (DES):** the exporter/seller must make the goods available to the buyer on board the ship at the location stipulated in the contract. All responsibility/cost for bringing the goods up to this point falls on the seller.
- **Ex Works (EXW):** opposite to "delivered duty paid." This minimal obligation requires the seller only to make the goods available to the buyer at the seller's premises. The seller is not responsible for loading the goods on the vehicle provided by the buyer, unless otherwise agreed. The buyer bears all responsibility for transporting the goods from the seller's place of business to their destination.
- **Free Alongside Ship (FAS):** the goods must be placed on the docks by the seller, alongside the vessel. The seller's obligations are fulfilled at this point. The buyer bears all costs and risks of loss or of damage to the goods from that moment.
- **Free on board (FOB):** the goods are placed on board the vessel by the seller at the port of shipment specified in the sales contract. The risk of loss or damage is transferred to the buyer when the goods pass the ship's rail.

- **Free Carrier . . . (named port):** recognizing the requirements of modern transport, including multi modal transport, this principal is similar to FOB, except that the exporter's obligations are met when the goods are delivered into the custody of the carrier at the named port. The risk of loss/damage is transferred to the buyer at this time, and not at the ship's rail. The carrier can be any person contracted to transport the goods by road, air, sea, rail or a combination thereof.

- **Carriage Paid to . . . (named place of destination):**the seller pays the freight for the carriage of the goods to the named destination. The risk of loss or damage to the goods is transferred. The risk of loss or damage to the goods is transferred from the seller to the buyer when the goods have been delivered to the custody of the carrier.

Information Sources

ArcelorMittal Tubular Products Canada Inc. Website	www.arcelormittal.com
ArcelorMittals Inbound Customs Broker-Russell A. Farrow	www.farrow.com
Canada Border Services Agency (CBSA)	http://www.cbsa-asfc.gc.ca
NAFTA (CBSA Web Site)	http://www.cbsa-asfc.gc.ca/general/trade_agreements/nafta-e.html
NAFTA Rules of Origin	www.nafta-sec-alena.org/defaultsite/legal/index_e.aspx?ArticleID=188
2008 Canadian Tariff Schedule	http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2008/01-99/tblmod-1-eng.html
U.S. Customs and Border Protection Home Page	www.customs.ustreas/gov/xp/cgov/home.xml
International Trade Canada – Export & Import Controls Bureau	http://www.dfait-maeci.gc.ca/eicb/eicbintro-en.asp
Health Canada – Importing Precursor Chemicals to Canada	http://www.hc-sc.gc.ca/hecs-sesc/ocs/chemical/chemical_industry.htm
Natural Resources Canada – Importing Requirements for Regulated Energy-using Products	http://oee.nrcan.gc.ca/regulations/reminder.cfm?PrintView=N&Text=N
Industry Canada – Labeling Assessment Tools	http://cb-bc.gc.ca/epic/internet/incb-bc.nsf/vwGeneratedInterE/cp01035e.html

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