



# Memorandum D5-1-13

Ottawa, September 29, 2016

## Publications Imported by Mail or Courier

### In Brief

This memorandum was revised to amend

- (a) the term “audio cassette” to “audio recording”; and
- (b) to reflect Canada Border Services Agency terminology.

This memorandum outlines the policies and procedures related to the importation into Canada of books, newspapers, periodicals and magazines and any similar printed publications, audio recordings arriving by mail or courier.

### Legislation

[Customs Act](#), Section 1

[Excise Tax Act](#), Section 1, Section 3, Section 7, Section 17, Section 123, Section 143, Section 240

## Guidelines and General Information

### Interpretation

1. The [Excise Tax Act](#) and the regulations made pursuant to that Act, specifically the [Publications Supplied by a Registrant \(GST/HST\) Regulations](#), define a prescribed publication and the procedures to be followed by a registrant to provide evidence of registration when importing such a publication into Canada.
2. For the purposes of [Section 143.1] of the Act, the following property is prescribed property:
  - (a) a book, newspaper, periodical, magazine, and any similar printed publication other than a publication or a book included in section 1 of Schedule VII to the Act; and
  - (b) an audio recording that relates to a publication included in paragraph (a) and that accompanies the publication when it is presented to the Canada Post Corporation (CPC) or a border services officer.

### Evidence of Registration

3. Where a person, who is registered, supplies a prescribed publication, the supply is deemed to be made in Canada under [Section 143.1] of the [Excise Tax Act](#). In such cases, the regulations state that evidence of registration must be shown to enable the publication to be imported into Canada without attracting additional tax.
4. The [Publications Supplied by a Registrant \(GST/HST\) Regulations](#) require suppliers who are registered for the GST/HST to show evidence of registration on publications sent to Canada by mail or courier.

5. Evidence of registration means that at least one of the options for displaying the supplier's GST/HST number as outlined below must be chosen by the registrant:

- (a) the person's registration number must be shown:
  - (i) in the masthead of the publication, or on one of the first five pages of the publication if the masthead is not within the first five pages,
  - (ii) on the back cover of the publication if the address of the person appears on that cover, or
  - (iii) on the mailing label affixed to the publication;
- (b) the person's registration number on the packaging of the publication or on a separate document that accompanies the publication, when it is submitted to the CPC or a border services officer; or
- (c) where the person does not have a registration number at the time the publication is mailed or sent by courier, evidence on a separate document that accompanies the publication when it is submitted to the CPC or a border services officer that the person has applied for a registration number.

6. Publications showing a GST/HST registration number will be released, regardless of the value of the shipment. In this case, the GST/HST should not be collected at the time of importation on these publications, because it has already been collected by the supplier for direct payment to the Canada Revenue Agency (CRA). It should be noted that shipments of publications brought into the country, other than by mail through CPC, valued at less than CAN\$20 may be released without a completed Form [B3-3, Canada Customs Coding Form](#); whereas shipments valued at more than CAD\$20 must be accompanied by a completed Form B3-3 and a cargo control document.

## Requirement to Register

7. Under subsection 240(4) of the [Excise Tax Act](#), a resident or non-resident person, whether through an employee, an agent, or by means of advertising directed at the Canadian market, is deemed to be carrying on a business in Canada, where that person:

- (a) solicits orders for the supply of prescribed tangible personal property; or
- (b) offers to supply prescribed tangible personal property that will be sent by mail or courier to the recipient of the supply at an address in Canada.

8. Prescribed tangible personal property includes: books, newspapers, and any similar printed publication, as well as an audio recording that relates to a publication and that accompanies the publication when it is sent to Canada.

9. Subject to paragraph 10 of these guidelines, all residents or non-residents soliciting sales in Canada of imported publications are required to be registered, to collect the GST/HST on these publications, and to remit that tax to the CRA just as if they were a person carrying on business in Canada.

10. Persons shipping publications to Canada are not required to register for GST/HST purposes if:

- (a) the person's global revenues do not exceed the small suppliers' threshold of CAN\$30,000; or
- (b) the person does not, in Canada, solicit orders for, or offer to supply, publications that will be sent to Canada by mail or courier to the recipient of the supply at an address in Canada.

11. A publication supplied by a resident or non-resident person, who is registered, sent by mail or courier to the recipient at an address in Canada, is deemed to be a supply made in Canada. Therefore, the GST/HST is payable at the time of sale rather than at the time of importation.

## No Evidence of Registration

12. According to section 7 of Schedule VII to the [Excise Tax Act](#), where no evidence of registration is provided, publications included in a shipment valued at CAN\$20 or less are non-taxable only if the supplier of the publications is not required to register for GST/HST purposes.

13. If the publications do not otherwise qualify for non-taxable importation, and the supplier is required to register and has not done so, the publications are taxable, **regardless of value**. In these circumstances, the goods are

specifically described in the [Mail and Courier Imports \(GST/HST\) Regulations](#) as goods that are not granted relief under section 7 of Schedule VII to the [Excise Tax Act](#). For example, a book valued at CAN\$10 exported to Canada by mail or courier, will be assessed the GST/HST on the full CAN\$10 value of the book.

### **Postal and Courier Imports Remission Orders**

14. The [Postal Imports Remission Order](#) and the [Courier Imports Remission Order](#) grants remission of all duties and taxes paid or payable on certain goods imported by mail or courier when the value for duty does not exceed CAN\$20. As stated in paragraph 12, the benefit of GST/HST non-taxable status is also contained in section 7 of Schedule VII to the [Excise Tax Act](#). The [Postal Imports Remission Order](#) and [Courier Imports Remission Order](#) do not provide relief from the GST/HST for books, newspapers, periodicals and other similar publications of any value where the supplier is required to register but refuses to do so.

### **GST Exemptions**

15. The following describes the conditions where the GST/HST is non-taxable on publications:

#### **Gift Exemptions**

16. Gifts of publications are subject to the GST/HST and are valued for GST/HST purposes at the price such publications would normally be sold to consumers on the retail market. The exception is:

- (a) when the gift tariff item No. 9816.00.00 applies;
- (b) gift publications from registered foreign suppliers where the suppliers' GST/HST registration number is shown in the prescribed manner .

#### **Lending Libraries**

17. Publications from foreign lending libraries, which are provided for no charge and subject to return under customs supervision within 60 days, are classified under tariff item No. 98.12. Goods classified under this tariff item are non-taxable under section 1 of Schedule VII to the [Excise Tax Act](#).

#### **Publications of the UN, NATO and Their Specialized Agencies**

18. Publications of the United Nations or the North Atlantic Treaty Organization or any of their specialized agencies are classified as duty free under tariff item No. 98.12 and are non-taxable under section 1 of Schedule VII to the [Excise Tax Act](#), regardless of the identity or status of the importer or exporter. A list of these organizations is included in Appendix A.

#### **Exempt Organizations**

19. Certain Orders-in-Council and other Acts of Parliament provide relief from taxation on importations by foreign missions, international organizations and certain members of their personnel. Please refer to the Memoranda [D21 Series – International Programs](#) series for more information.

#### **Government of a Province or Territory**

20. Publications imported by provincial and territorial government departments and bodies are not subject to the GST/HST. Lists of eligible provincial government departments, Crown corporations, boards, commissions and agencies are appended to GST/HST Memoranda [D18 Series – Excise Goods](#). These lists are subject to change and verification of the lists may be obtained from any CRA Tax Services office.

#### **Registered Charities**

21. Publications imported by a charity in Canada, as defined in subsection 123(1) of the [Excise Tax Act](#), which have been donated to that charity, are non-taxable under section 4 of Schedule VII to that Act.

## Tourism

22. Printed matter that is to be made available to the general public, without charge, for the promotion of tourism is non-taxable under section 3 of Schedule VII to the [Excise Tax Act](#) if:

- (a) it is imported by or on the order of a foreign government or an agency or representative of a foreign government; or
- (b) it is imported by a board of trade, chamber of commerce, municipal or automobile association or similar organization to which it was supplied for no consideration, other than shipping and handling charges.

## Documentation Requirements

### Postal Importations of Publications

23. Shipments of publications to Canada by mail must contain a customs declaration which describes the goods and provides the value of the publication. Where a foreign publisher is registered to collect the GST/HST, the registration number should also be shown on the customs declaration. All publications which display their registration number will be released from the Canada Border Services Agency (CBSA) without additional payment of taxes.

24. Where there is no evidence of registration on the publication, the CBSA will assess the applicable GST/HST based on the value shown on the customs declaration. Form E14, *CBSA Postal Import Form*, which shows the amount of GST/HST payable, will be attached to the mail item.

25. To process goods imported as mail that are subject to duty and/or tax, CPC charges the recipient a handling fee. If the item is duty-free and tax exempt, no amount is charged.

26. Further information concerning postal importations may be found in [Memorandum D5-1-1, Canada Border Services Agency International Mail Processing System](#).

### Courier Importations of Publications

27. Pursuant to paragraph 14 of this Memorandum, all publications imported through a courier must be accounted for on a Form [B-3, Canada Customs Coding Form](#), or transmitted through the CBSA's Automated Data Exchange System (CADEX) by an approved participant.

28. Further information concerning courier importations may be found in the following memoranda:

- (a) [D8-2-16, Courier Imports Remission](#);
- (b) [D17-1-2, Reporting and Accounting for Low Value Commercial Goods \(Not Exceeding CAD\\$2,500\)](#);
- (c) [D17-1-5, Registration, Accounting and Payment for Commercial Goods](#).

## General Information

### Supply of Audio recording with Publication

29. If an audio recording relates to a prescribed publication and accompanies that publication when it is sent to Canada, the GST/HST is to be collected by the registered supplier on both the audio recording and the publication. The CBSA will not collect the GST/HST provided evidence of the GST/HST registration is shown in accordance with paragraph 5 of this memorandum.

### Sample Publications

30. Shipments of sample publications are subject to GST/HST, which will be collected by CBSA, and are valued for GST/HST purposes at the price such publications would normally be sold to consumers on the retail market, except for sample publications from registered foreign suppliers where the suppliers' registration number is shown in the prescribed manner. Where no evidence of registration is provided, the GST/HST will be assessed at time of importation.

## **Publications as Part of a Membership**

31. Canadian residents may apply for membership in a foreign association. Part of the benefit of this membership may be a publication that is of insignificant value in relation to the consideration for the membership, but which is included in a total price paid for the membership. If this is the case, the membership could qualify as an exempt supply under section 17 of Part VI of Schedule V to the [Excise Tax Act](#).

32. If the membership qualifies as an exempt supply under section 17 of Part VI of Schedule V to the Act, or the non-resident association is not carrying on a business in Canada, publications which are supplied as part of these memberships is taxable, if the value of the shipment is over CAN\$20. Publications valued CAN\$20 or less are non-taxable under the provisions of section 7 of Schedule VII to the Act.

33. If the publication is of significant value in relation to the consideration for membership (generally considered to be 30% or more), then the membership would not qualify as an exempt supply. In this case, the foreign association would be required to determine whether they would be required to register and collect GST/HST on the value of the membership. To obtain additional information on the requirements for registration, refer to GST/HST Memoranda [D6 Series – Refunds](#), and the GST/HST Guide entitled, Non-resident Suppliers of Publications.

## **Additional Information**

34. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time / except holidays). TTY is also available within Canada: **1-866-335-3237**.

## **Appendix – The United Nations, the North Atlantic Treaty Organization and Their Specialized Agencies**

FAO The Food and Agricultural Organization

IAEA International Atomic Energy Agency

ICAO International Civil Aviation Organization

IFAD International Fund for Agricultural Development

ILO International Labour Organization

IMF International Monetary Fund

IMO International Maritime Organization

ITU International Telecommunications Union

UNESCO UN Educational, Scientific and Cultural Organization

UNIDO UN Industrial Development Organization

UPU Universal Postal Union

WHO World Health Organization

WIPO World Intellectual Property Organization

WMO World Meteorological Organization

WTO World Trade Organization

<b>References</b>	
<b>Issuing Office</b>	Postal, Courier, and Horizontal Unit Program and Policy Management Division Commercial Program Programs Branch
<b>Headquarters File</b>	7980-1
<b>Legislative References</b>	<a href="#"><i>Customs Act</i></a> <a href="#"><i>Excise Tax Act</i></a> <a href="#"><i>Publications Supplied by a Registrant (GST/HST) Regulations</i></a> <a href="#"><i>Mail and Courier Imports (GST/HST) Regulations</i></a> <a href="#"><i>Postal Imports Remission Order</i></a> <a href="#"><i>Courier Imports Remission Order</i></a>
<b>Other References</b>	<a href="#">D5-1-1</a> , <a href="#">D8-2-16</a> , <a href="#">D17-1-2</a> , <a href="#">D17-1-2</a>
<b>Superseded Memorandum D</b>	D5-1-13 dated June 9, 1995