



# Memorandum D4-1-4 Customs Sufferance Warehouses

---

ISSN 2369-2391

Ottawa, October 21, 2024

## Plain language summary

**Target audience:** Applicants and licensed operators of customs sufferance warehouses.

**Key content:** Outlines the responsibilities to obtain, amend or cancel a sufferance warehouse licence.

**Keywords:** application, financial security, building requirements, storage, warehouse types.

## On this page

- [Updates made to this D-memo](#)
- [Definitions](#)
- [Guidelines](#)
- [References](#)
- [Contact us](#)

## Updates made to this D-memo

This memorandum has been updated to reflect the implementation of the CBSA Assessment and Revenue Management (CARM) system; the introduction of an excise duty (vaping duty) on vaping products; a policy update on the good character assessment; and clarify ownership changes and definitions of applicants.

## Definitions

“**Act**” means the [Customs Act](#).

“**Applicant**” means an individual, partnership or corporation who applies for a licence.

“**Bulk Cargo**” means goods that are loose or in mass, such that they are confined only by the permanent structures of the vessel, without intermediate containment or intermediate packaging.

“**Break bulk cargo**” means specified goods other than:

- (a) Goods within cargo containers,
- (b) Bulk goods, or
- (c) Empty cargo containers.

Break-bulk goods also includes goods such as oil and gas equipment, construction equipment and automobiles.

“**CBSA Assessment and Revenue Management (CARM)**” is a duty and tax collection system developed to modernize and simplify the process of importing goods into Canada.

“**Carrier**” means a person involved in international commercial transportation who reports cargo to the CBSA and/or who operates a conveyance used to transport specified goods to or from Canada.

“**CARM Client Portal (CCP)**” serves as the primary hub for Trade Chain Partners to interact with the CBSA relating to the importation of goods into Canada.

“**Consolidation**” means a number of shipments are grouped together by a consolidator or freight forwarder and shipped to an agent or a freight forwarder as one shipment under one bill of lading and reported to the CBSA on one cargo control document (CCD).

“**C/VESS**” is an authorized marine port of entry where cargo and commercial vessels, other than ferry boats or cruise ships, but including other commercial passenger vessels such as tour boats and charter boats (e.g., whale-watching, fishing, sightseeing), report to the CBSA.

“**Deconsolidation**” means the process whereby a consolidated shipment is divided into individual shipments consigned to various consignees.

“**Excise warehouse licensee**” means a person who holds an excise warehouse licence issued under section 19 of the [Excise Act 2001](#).

“**Freight forwarder**” means a person who, on behalf of one or more owners, importers, shippers or consignees of goods, causes specified goods to be transported by one or more carriers.

“**Licence**” means a licence to operate a place as a sufferance warehouse as provided for in section 24 for the [Customs Act](#).

“**Licensee**” means an individual, partnership or corporation to whom a sufferance warehouse licence has been issued.

“**Place of safe-keeping**” means a place that has been designated by the Minister pursuant to section 37.1 of the [Customs Act](#) for the safe-keeping of goods.

“**Regulations**” in this memorandum means the [Customs Sufferance Warehouses Regulations](#), unless otherwise specified.

“**Re-manifest**” means a new cargo control document, with a new cargo control number, which is presented to change a cargo control document that had previously been submitted to the CBSA. Re-manifests are generally presented to change the destination office or carrier code.

## Guidelines

1. This memorandum explains the procedures an individual or company must follow to obtain, amend or cancel a Canada Border Services (CBSA) customs sufferance warehouse licence. It also describes the terms and conditions for operating a sufferance warehouse and the types of sufferance warehouses that may be licensed in Canada.

### Introduction

2. Sufferance warehouses are privately owned and operated facilities licensed by the Canada Border Services Agency (CBSA) for the control, short-term storage, transfer, delivery and examination of in-bond goods until the goods are released by the CBSA or exported from Canada.

3. The CBSA will aim to process customs sufferance warehouses licence applications within 60 business days from the date the complete application is received through the CARM Client Portal (CCP).

4. Applicants are expected to monitor the CCP for notifications about the status of their application to ensure there are no delays in processing.

### Licensing of Sufferance Warehouses

#### Application for a Licence

5. A complete application with supporting documentation must be submitted using the CCP in order to be considered for a license to operate a customs sufferance warehouse. Instructions on how to register for an account and how to submit an application through the CCP can be found on the [CBSA CARM webpage](#).

6. Applicants are expected to monitor the CCP for notifications regarding their application to ensure there is no delay in processing.

7. An individual is qualified as an applicant if:
  - (a) they are of good character; and
  - (b) they have sufficient financial resources to conduct their business in a responsible manner.
8. A partnership is qualified as an applicant:
  - (a) When, in the case of a partnership composed of individuals,
    - (i) the partners are of good character; and
    - (ii) have sufficient financial resources to conduct its business in a responsible manner.
  - (b) When in the case of a partnership composed of corporations,
    - (i) all of the directors of the corporation are of good character; and
    - (ii) have sufficient financial resources to conduct its business in a responsible manner.
9. A corporation is qualified as an applicant if:
  - (i) the corporation is of good reputation;
  - (ii) all of the directors are of good character; and
  - (iii) the corporation has sufficient financial resources to conduct its business in a responsible manner.
10. Only the person who will operate the business may file for an application in the name of a sole proprietorship. However, one of the partners or associates may file an application on behalf of a partnership or unincorporated association and one of the directors may file on behalf of a corporation.
11. The completed application must be submitted with the following:
  - (a) a blueprint, or reasonable facsimile, of the entire building, indicating:
    - (i) if the building exists or is to be constructed;
    - (ii) the type of construction;
    - (iii) the location that is to be used for the storage of goods;
    - (iv) the location of all partitions, doors, windows, and stairs;
    - (v) the location and dimensions of an examining room or office for the use of the CBSA, where applicable;
    - (vi) the location of telephones, lights and source of heat in the CBSA office and examining room, where applicable; and
    - (vii) the location of the washroom facilities;

- (b) information on the type of fire-safety equipment such as extinguishers and sprinkler system;
- (c) a site plan of the property showing the location of the warehouse building and the detention compound or parking area;
- (d) when requested by the CBSA, letters from importers in support of the application for the establishment of the sufferance warehouse;
- (e) a business registration document which shows all owners, partners, officers and directors listed on the application;
- (f) documents showing that the applicant has sufficient financial resources to lease or purchase a sufferance warehouse and to operate that facility; and
- (g) where applicable, a copy of the cargo handling contract. A sample cargo-handling contract can be found in Appendix A of this memorandum.
- (h) a certified Criminal Records Check\* for each owner, partner, officer and director for the entity applying;

\* A certified Criminal Records Check is performed by the local police authority or an accredited third-party using fingerprint technology. General information on obtaining a criminal record check and fingerprints can be found on the [Royal Canadian Mounted Police website](#). As each jurisdiction may have their own process, please consult the local police authority for specific information on certified criminal record checks. Foreign applicants should consult their local policy authority.

All fees associated with the criminal records check is the responsibility of the applicant(s).

12. To protect the security of the information provided for in (e) and (f) above, the documents must not be submitted through the CCP. Applicants should mail the documents to the local CBSA office where the application has been submitted.

13. The applicant will receive an acknowledgement in the CCP that their application has been successfully submitted to the CBSA.

14. If information is missing and the application is deemed incomplete, the CBSA will reject the application and the applicant will receive notice containing the reasons for the refusal through the CCP.

15. The applicant may resubmit a completed application with corrections to the CBSA through the CCP.

16. Upon receipt of a completed application the CBSA will begin the application assessment. This will trigger the 60 day service standard.

17. The CBSA will examine the proposed sufferance warehouse to ensure that the facility meets the requirements for location, suitability, security, accommodations, heating and lighting as set out in Part II of the [Customs Sufferance Warehouses Regulations – Operation of Sufferance Warehouses](#).

18. Applicants should not finalize any lease or expend capital resources for renovations or construction of sufferance warehouse facilities until the application has been approved.

19. Applicants must not start operating the sufferance warehouse until the application has been approved by the CBSA.

20. If the application is denied the CBSA will notify the applicant through the CCP with the reasons for denial.

### **Requirements to Obtain a Licence**

21. Before the CBSA approves an application for a sufferance warehouse, or issues a licence to the applicant, the following conditions must be met:

- (a) the applicant is of good character;
- (b) the applicant has sufficient financial resources to enable them to provide the facilities, equipment, personnel and services required under sections 11 to 13 of the *regulations* and to lease or purchase the proposed sufferance warehouse;
- (c) the volume and nature of business in the area in which the applicant proposes to operate a sufferance warehouse is such that a sufferance warehouse is needed to serve the importers in that area;
- (d) the site of the proposed sufferance warehouse is within a reasonable distance from major transportation routes and a CBSA office;
- (e) the proposed sufferance warehouse contains adequate space for the storage of imported goods;
- (f) the structure of the proposed sufferance warehouse will be suitable for the operation of a sufferance warehouse;
- (g) the CBSA is able to provide customs services with respect to the proposed sufferance warehouse; and
- (h) the required amount of financial security in the proper format is deposited with the CBSA. See section below on Financial Security.

### **Financial Security - Applications**

22. Security for each sufferance warehouse must be calculated using \$1000 for each 1000 shipments or releases destined to the warehouse facility per year. Security will not be less than \$20,000 per warehouse.

23. [The Financial Security \(Electronic Means\) Regulations](#) allows for the posting of electronic bonds. The CCP must be used to post financial security. [Memorandum D1-7-1, Posting Security for Transacting Bonded Operations](#) outlines the policy and procedures regarding posting financial security for CBSA bonded transactions.

24. Financial security is accepted in CARM via one of three methods:

- (a) the applicant submits a non-cash bond via the CCP and their surety provider accepts it;
- (b) the applicant posts a cash deposit in the CCP ("cash bond");
- (c) the applicant's surety provider sends the non-cash bond via an Application Programming Interface (API) on behalf of the applicant and the bond is automatically accepted in CARM.

For more information on financial security in CARM refer to the CARM R2 Playbook - 14.0 Financial Security, which can be found on the CBSA CARM webpage.

25. An applicant can obtain one bond covering all their RMs within the sufferance warehouse program or one bond per RM. All bonds received by the CBSA must list the RM assigned to the sufferance warehouse. The amount of security should reflect \$1000 per every 1000 shipments and must not be less than \$20,000 per number of warehouses included in the security or reflected on the bond.

### **Financial Security – Amendment**

26. The licensee will review financial security on an annual basis and submit an amended sufferance warehouse application form indicating the volume of goods for the previous year. Financial security should be updated if needed. This annual financial security review will be submitted through the CCP for CBSA assessment.

27. Non-compliance with financial security requirements may result in suspension or cancellation of the licence.

28. If a licence is cancelled, the CBSA will notify the surety company to cancel the bond, if one was posted on behalf of the licensee. Licensees should monitor the CCP for notifications from the CBSA regarding bond status.

29. At no time will the financial security be allowed to lapse. Failure to present new financial security to the CBSA before the termination date of the existing security could result in the suspension of the licence.

30. Amendments to financial security must be completed through the CCP. Refer to the CARM Playbook for instruction on amending financial security.

### **Approval of Application**

31. When an application for a sufferance warehouse is approved, the CBSA will send the licence, the licence number, sub-location code, and the BN15 to the applicant through the CCP. Financial security must be received before the licence will be issued.

### **Amendment, Cancellation or Suspension of Licence**

#### **Amendment Requested by the Licensee**

32. Licensees must request licence amendments through the CCP using Form E400. Requests for amendments will be treated as new applications. If the amendment is approved, the CBSA notify the licensee and provide an amended licence, if applicable, through the CCP. ~~If the amendment is denied a notification will be sent through the CCP with rationale for denial.~~

#### **Amendment by the CBSA**

33. The CBSA may only amend a licence for the following purposes:

- (a) To change a specified restriction on the licence regarding the class of goods which may be received or to specify such a license restriction.
- (b) to change the circumstances specified in the licence in which goods may be received in the sufferance warehouse, or to specify such circumstances; or
- (c) to change the name of the licensee, where the name of the licensee is changed.

34. Licensees will be given 90 days' notice through the CCP if the Minister intends to amend a licence due to subparagraphs (a), (b) and/or (c) above. **The licensee will be given a period of 90 days from the date of the notice to make representations to the CBSA through the CCP as to why the licence should not be amended.** The licensee is responsible to monitor the CCP for CBSA communications as the 90 day notice period cannot be extended.

#### **Cancellation/Closure Initiated by the Licensee**

35 Licensees who wish to cancel their sufferance warehouse licence must advise the CBSA, through the CCP, at least 60 days before the effective cancellation/closure date. The CBSA will acknowledge the notice of cancellation/closure through the CCP. In the case of an abrupt or unplanned closure (e.g. as a result of a fire, bankruptcy) the licensee must immediately advise the local CBSA office of the closure, in order that measures can be taken by the CBSA to control access to the facility. A Sufferance Warehouse Enrolment Form must be uploaded into the CCP with field 2 checked off to indicate "Request for a cancellation of licence" in either circumstance.



### **Cancellation by the CBSA**

36. In accordance with section 7 of the Regulations, the CBSA may cancel a licence where the licensee:

- (a) no longer owns or leases the place that is licensed as a sufferance warehouse;
- (b) requests the Minister in writing to cancel the licence; or
- (c) is bankrupt.

37. A 90-day notice period is not applicable when the reason for cancellation is one of the above.

### **Suspension (or Cancellation) Initiated by the CBSA – With Notice**

38. In accordance with section 8(1) and subject to section 9 of the Regulations, the CBSA may suspend (or cancel) a licence where the licensee:

- (a) is the subject of a receivership in respect of his debts;
- (b) fails to comply with any Act of Parliament, or any regulation made pursuant thereto, that prohibits, controls or regulates the importation or exportation of goods;
- (c) has, in the course of his operation of the sufferance warehouse, acted dishonestly in his business dealings with customs brokers, importers, carriers, Her Majesty or servants of Her Majesty; or
- (d) has been incompetent in the operation of the sufferance warehouse.

39. When a licence is suspended by the Minister, the CBSA will immediately advise the licensee through the CCP of the suspension and provide all relevant information concerning the grounds for the suspension. The licensee will have 90 days to provide information why the licence should be reinstated. This information should be provided through the CCP as indicated on CBSA's suspension letter.

40. In cases where the licensee must take corrective action, the proposed suspension will be withdrawn when the CBSA is satisfied that the reasons for the suspension no longer exist.

### **Reinstatement of Licence by the CBSA**

41. The Minister may reinstate a suspended licence where the Minister is satisfied that the cause for the suspension no longer exists.

42. The CBSA will advise licensees through the CCP when a suspended licence has been reinstated.

### **Cancellation Initiated by the CBSA – With Notice**

43. In accordance with section 8(2) and subject to section 9(3) and (4) of the regulations, the CBSA may cancel a licence where:

- (a) the volume of goods being received in the sufferance warehouse is no longer sufficient to warrant the continued operation;
- (b) there is no longer a need for a sufferance warehouse in the area in which the sufferance warehouse is located; or
- (c) the CBSA is no longer able to provide customs services with respect to the sufferance warehouse.

44. Before the Minister cancels a licence for the above reasons, the CBSA will advise the licensee by communications sent through the CCP 90 days prior to the intended date of cancellation. The CBSA will provide the licensee with all relevant information concerning the grounds for the cancellation. During this 90-day period, the licensee may provide information to the local CBSA through the CCP as indicated in CBSA's notice of cancellation explaining why the licence should not be cancelled. The CBSA will consider this information and the notice of cancellation will be withdrawn if the Minister is satisfied that the cause for the cancellation no longer exists.

### **Change of Ownership/Lease Agreement**

45. When a change of ownership or control of a licensed sufferance warehouse is planned, the existing licensee must advise the CBSA through the CCP at least 60 days before the effective date of the change.

46. If ownership or control of the licensed sufferance warehouse changes, the CBSA will cancel the existing licence. A change of ownership or control of a warehouse requires submission of a new application for a sufferance warehouse licence. The new owner, lessee or the party taking control of the warehouse must apply for a new licence through the CCP by completing and uploading Form E400 and submitting all documents required in paragraph 10 above. If the applicant is not making changes to the physical structure of the facility, the building plan specifications may not be required. The CBSA will process the application as if it is a new warehouse.

47. Sufferance warehouse licenses cannot be sold or transferred to another party. A new application must be submitted and undergo a verification of regulatory requirements before the change of ownership takes place. All supporting documents must be uploaded into the CCP to prove the ownership change.

## **Change of Ownership of Highway Sufferance Warehouse (Type BW)**

48. When a change of ownership or control of a Type BW warehouse is planned, the licensee must advise the CBSA using the CCP at least 60 days before the effective date of the change.

49. If the Minister determines that a new or an additional Type BW highway sufferance warehouse is required, applications will be invited through the issuance of a Customs Notice. All applicants in response to advertisements must complete an E400 and submit through the CCP as indicated on the Customs Notice.

## **Sub-Leasing a Sufferance Warehouse**

50. Sufferance warehouse licensees may sub-lease a section of their warehouses to a person or persons licensed to operate a sufferance warehouse.

51. Where a sufferance warehouse is restricted by the terms and conditions of its licence to the receipt of goods arriving by motor vehicles used for commercial purposes, the licensee may lease space to any carrier who has requested space for his exclusive use in the operation of a separate sufferance warehouse. In this situation sufferance warehouse licensees may sub-lease a section of their warehouses to a person or persons licensed to operate a sufferance warehouse

52. To obtain a licence to operate a separate sufferance warehouse, the person or persons wishing to sub-lease a section of the warehouse, referred to as the lessee, must complete the Sufferance Warehouse Program Enrolment Form E400 and provide this completed application to the licensee, also referred to as the lessor, for submission to the CBSA through the CCP. The completed application must be uploaded with the following:

- (a) a diagram of the floor plan designating the leased area. The space must be adequate to meet the operational needs for a sufferance warehouse; and
- (b) financial security.

53. The CBSA will process the application in the same manner as a new application to operate a sufferance warehouse.

54. The sufferance warehouse lessors must also advise the CBSA in writing of any relocation, reductions, extensions, or other changes that impact their sufferance warehouse licence, including changes resulting from sub-leasing within their warehouse. Lessors must submit a copy of the amended floor plan through the CCP. If approved by the CBSA an amended application is not required from the lessor.

## **Responsibilities of the Licensee**

## **Relocation of Warehouse**

55. When planning a change in location, the licensee must complete and upload Form E400 into the CCP at least 60 days in advance of the planned relocation.

56. The CBSA will process the application for relocation in the same manner as for new applications. If approved, the CBSA will issue a new licence for this location. The licensee must provide new security or a rider amending the existing financial security bond indicating the relocated warehouse location.

57. If a licensee relocates the sufferance warehouse operation without the CBSA's previous written approval, the CBSA may cancel the existing licence to operate a sufferance warehouse.

58. Applicants should not expend capital funds on construction or renovations to the relocation site until a licence is issued or until the application has been approved in principle.

59. Applicants must not start operating the sufferance warehouse at the new location until a provisional or final approval has been given by the CBSA.

## **Closure of Warehouse**

60. The licensee must advise the CBSA in writing through the CCP at least 60 days before the effective date of the closure. The CBSA will acknowledge a notice of closure from a licensee.

61. All in-bond goods must be accounted for by the payment of duties and taxes or by transferring the goods to a location authorized by the CBSA, before any sufferance warehouse closes. The goods may also be exported from Canada.

62. A CBSA officer will conduct a warehouse check to ensure that all in-bond goods have been accounted for.

## **Facilities**

63. Licensees are responsible for identifying and providing adequate space in the warehouse building and the detention compound for the safe storage of in-bond goods. If it is determined that there is not enough space for the volume of traffic, the CBSA may ask the licensee to provide additional storage space.

64. Licensees may be required to provide a detention compound or parking area for the storage of imported goods that are held in a conveyance, should the CBSA so request.

65. Unless the sufferance warehouse licensee has made other arrangements with parties using the warehouse facilities, the licensee is responsible for providing adequate space, the proper equipment for unloading and moving shipments as well as personnel to locate, open, and close packages for CBSA examinations.

66. Licensees are responsible for providing washroom facilities and offices for the use of officers, and the heat, light and cleaning services necessary for those facilities and offices, where so requested by the CBSA.

**N.B.** Warehouse operators are expected to provide and maintain a clean and safe environment for all CBSA personnel attending their facilities in order to meet health and safety regulations.

67. Licensees are responsible to provide facilities, equipment and personnel sufficient to control access to the sufferance warehouse and provide secure storage of the goods stored in it, including:

- (a) doors and other building components of sturdy construction;
- (b) secure locks on doors and windows;
- (c) signs that indicate the security requirements applicable to the premises; and
- (d) where the sufferance warehouse will be used for the storage of designated goods, such additional facilities and equipment as may be required to ensure the secure storage of those goods.

### **Building Requirements**

68. Sufferance warehouse building requirements will be subject to approval by the local CBSA office and must have, as a minimum:

- (a) a storage area with access from the exterior of the building provided by a freight door;
- (b) a heated office area and an examining area or a combined office and examining room for use by CBSA examiners, where applicable. The office and examining room must be protected from the elements. If the warehouse is serviced by the CBSA on a call-out or part-time basis, the operator need only provide the use of an office when required by CBSA officials; and
- (c) a secure depository for CBSA documents, if requested by the CBSA.

69. A separate area exclusively for the storage of in-bond shipments is required in the warehouse building or in the detention compound. In-bond goods must not be co-mingled with domestic goods and access to in-bond goods must be restricted to authorized persons only.

70. If a group of sufferance warehouses is located in a building owned by a person or company other than the applicant, the landlord must provide accommodation, utilities, and furnishings for the CBSA examiners' office. Individual applicants are required to provide only space, equipment, and a worktable needed for examining goods.

71. When a sufferance warehouse is being constructed, the building must conform exactly to the original plans submitted to the CBSA unless the CBSA has given previous approval to deviate from the original plans.

### **Building Modifications**

72. Licensees must get approval from the CBSA before starting modifications that will affect the sufferance warehouse area. Such modifications would include:

- (a) any reduction or expansion affecting the sufferance warehouse including the CBSA office area within the warehouse;
- (b) any change affecting freight doors, entrance doors, or windows; and
- (c) any change affecting other physical security requirements.

73. The licensee must submit a Form E400 indicating an amendment in field 2 with a drawing showing the proposed changes through the CCP. The CBSA will send a notice through the CCP advising if the amendment has been approved or denied.

74. For certain warehouse types: BW, SL, SO, SO(CSA), final approval of proposed changes is given by CBSA Headquarters on the recommendation of the local CBSA office.

### **Access Restrictions to Sufferance Warehouse Facilities**

75. In accordance with subsection 12(2), of the regulations, no person other than the licensee, an employee of the licensee or an employee of a carrier engaged in the delivery of goods to or the removal of goods from the sufferance warehouse, shall enter any place in it where goods are stored, without the written authorization or the attendance of an officer.

76. Licensees must take reasonable measures to restrict warehouse access to authorized persons only. Unauthorized persons are not allowed access to a Sufferance Warehouse without previous written authorization from the CBSA or unless they are accompanied by a CBSA officer. Signs informing of this restriction must be posted at the warehouse entrances. A CBSA officer must accompany customs brokers and their employees who wish to get invoices or other documents from shipments stored in the warehouse. Special service charges may apply, as outlined in [Memorandum D1-2-1, Special Services](#).

77. The CBSA has granted authorization for Transport Canada's (TC), Transportation Security Inspectors (TSIs) to access CBSA licensed air carrier sufferance warehouses and bonded air cargo located within the warehouse. TSIs promote compliance of the Air Cargo Security Program and are tasked with verifying that the Cargo Security Form is attached with the air waybill documents. As the Cargo Security Form is not physically attached to the goods, TSIs will not normally perform any physical screening of the cargo.

78. TSIs do not need to obtain special permission from the local CBSA office, nor require a CBSA officer to be on site each time they require access to a SW. TSIs possessing a valid TC

"inspector" identification card are authorized to access all CBSA controlled air cargo sufferance warehouses across Canada and must present their identification card to the warehouse operator each time entry is requested.

79. Licensees handling imported freight on behalf of carriers and importers must take reasonable measures to ensure that confidentiality regarding their clients' shipments is maintained at all times.

### **Receipt and Refusal of Goods into the Warehouse**

80. In order to be compliant with section 14 of the *Regulations*, the licensee must electronically acknowledge receipt of all unreleased goods destined to the warehouse upon receiving the goods from the carrier. This is done by transmitting an electronic Warehouse Arrival Certification Message (WACM) upon the arrival of the goods in the warehouse. The WACM should include the licensee's warehouse sub-location code. A list of warehouse sub-location codes can be found on the [CBSA website](#). Licensed warehouse operators must be registered participants in the CBSA's Release Notification System (RNS), using an Electronic Data Interchange (EDI) or a third party service provider to transmit their arrival messages. For more information regarding electronic communication see paragraphs 87-91 below.

81. However, if the goods were transported to Canada by or on behalf of a courier and will be released under subsection 32(4) of the *Act* before the accounting for duties and taxes, the licensee shall acknowledge the receipt of the goods in the sufferance warehouse by:

- (a) endorsing the bill of lading, waybill or similar document presented by the carrier;
- (b) endorsing the customs document on which the goods were reported under the [Reporting of Imported Goods Regulations](#); or
- (c) issuing a transfer document to the carrier.

82. When multiple containers are documented on one cargo control document for importation but will arrive into the warehouse at different times, the licensee will send the WACM when the first container physically arrives at the warehouse, as long as all the containers are in Canada.

83. By acknowledging receipt, the licensee accepts responsibility for the applicable duties and taxes on the unreleased imported goods.

84. Failure to transmit the WACM may result in a penalty assessed under the Administrative Monetary Penalties System (AMPS).

85. The licensee may not refuse goods that qualify under the terms of their licence; except, if storage is being requested by or on behalf of a person who has unpaid storage fees at the warehouse.

### **Electronic Communication with the CBSA**

86. Licensed warehouse operators must transmit data using the CBSA's EDI systems. Before initiating the application process (outlined below), warehouse operators must have a valid warehouse operator license.

## **Application to Transmit Electronic Data to the CBSA**

87. Warehouse licensees using EDI are required to complete an application form and submit it to the [Technical Commercial Client Unit \(TCCU\)](#).

88. EDI clients may choose to transmit their own data to the CBSA or they may choose to use a service provider. For more information on how to apply to participate consult the [Electronic Data Interchange/ Portal Clients](#) website.

89. For all enquiries related to any problems with electronic transmission of data and the related application process, please contact the TCCU:

Email: [tccu-ustcc@cbsa-asfc.gc.ca](mailto:tccu-ustcc@cbsa-asfc.gc.ca)

Telephone: **1-888-957-7224**

Option 1 for EDI transactions /

Option 2 for Technical Portal Assistance (Canada or US)

1-613-946-0762 for overseas callers

90. For more information on how to apply to participate, methods of electronic communication and general information on EDI visit the Electronic Data Interchange/Portal Clients website.

## **Record Keeping – Open and Closed**

91. Under section 3.1(a) of the *Imported Goods Records Regulations*, licensees must maintain an open and a closed file for all imported goods delivered to and removed from the warehouse.

92. The CBSA document used to report the goods into the warehouse, such as the licensee's copy of [Form A8A, Cargo Control Document](#) or equivalent; or an electronic copy or confirmation of a Warehouse Arrival Certification Message, must be kept on an open file until an acquittal is received from the CBSA authorizing the removal of the goods from the warehouse.

93. Upon receipt of one of the following the sufferance warehouse licensees may release goods from their warehouse:

(a) A Release Notification System (RNS) message received directly from the CBSA system as an RNS participant or received through the intermediary of a dedicated service provider.

(b) A Query Notification Status message (QNS) received directly from the CBSA system as an RNS participant or received through the intermediary of a dedicated service provider, which indicates the shipment has been released by CBSA. Released status on a QNS may show a sub-location code different from the sub-location code of where the cargo is actually located.



(c) A deconsolidation notice received directly from the CBSA system, or a copy of a deconsolidation notice received from a freight forwarder or carrier. Refer to Customs Departmental Memorandum [D3-3-1 Freight Forwarder Pre-arrival and Reporting Requirements](#) for additional information.

(d) An Advance Commercial Information (ACI)/eManifest Notices released notice or CSA Authorized to Deliver notice received directly from the CBSA system as a D4 participant or through the intermediary of a dedicated service provider.

(e) An original, faxed, or scanned copy of the CCD, or a release information sheet, that bears a physical or electronic CBSA release stamp.

Warehouse operators wishing to receive the deconsolidation notice, the D4 release notice or the CSA authorized to deliver notice should refer to the [Electronic Commerce Clients Requirements Document, Chapter 11, Advance Commercial Information \(ACI\)/eManifest Notices](#) for additional information. The CBSA strongly encourages warehouse operators to sign up to receive these notices.

The deconsolidation notice is an electronic notice sent from the CBSA which informs clients (freight forwarders, sufferance warehouse operators, and carriers) that the CBSA has authorized the transfer of cargo control from a consolidated shipment to the related individual secondary house bills that were submitted by a freight forwarder. For more information in the deconsolidation notice, see D3-3-1 Freight Forwarder Pre-arrival and Reporting Requirements.

When house bills transmitted for back to back shipments or buyers consolidations are destined to a non-deconsolidating sufferance warehouse, the deconsolidation notice will be suppressed until all house bills in the consolidated shipment have been released by the CBSA.

The deconsolidation notice is an important tool for warehouse operators to know the status of consolidated shipments in their warehouse. Warehouse operators, freight forwarders and carriers must sign up to receive the deconsolidation notice, by contacting the [Technical Commercial Client Unit](#).

94. Those responsible for preparing [Forms A10, Cargo Control Abstract](#) or house bills will provide the licensee with the licensee's copies of the documents. These documents must be kept on the open file until the CBSA authorizes removal of the shipments.

**95. When the master cargo control document is acquitted by freight forwarders' house bills, that is 8000 series advice notes, or by Form A10, the acquittal copy of the master cargo control document must be returned to the licensee with a notation showing the number of house bills or abstracts issued for the shipment. The master cargo control document must be kept on the open file until copies of**

**all 8000 bills or** Forms A10 are received. All documents must then be filed in the closed file. Licensees may accept a print out of an electronic house bill for their file. More information on these forms can be found in [Memorandum D3-1-1, Policy Respecting the Importation and Transportation of Goods.](#)

96. Release notification for certain types of shipments, for example bulk mail, will continue to be paper-based as they are not processed through the Accelerated Commercial Release Operations Support System (ACROSS) and no RNS is generated. Other exceptions include sufferance warehouses located at a true non-terminal office (i.e. not automated for release in ACROSS) where RNS is not possible; and Type SH sufferance warehouses that are used exclusively for the storage of used household goods and personal effects.

97. The licensee must keep records of release documents or data in a closed file for possible future reference and audit. Records must be kept for six years from the date that the goods were removed from the warehouse and be stored at the sufferance warehouse facility. Licensees wishing to store their records at another location must obtain permission from the CBSA district manager. Records may be electronically imaged or microfilmed provided the conditions in [Memorandum D17-1-21, Maintenance of Records in Canada by Importers](#) are met.

98. The CBSA accepts computer-generated printouts for audit purposes if the shipment information can be found through the cargo control numbers. The printout must also include the names of the consignees and details on the quantity and weight of the shipments.

### **Alteration of Goods**

99. To facilitate the removal of goods from a sufferance warehouse for further transport, under the Regulations, the licensee may request approval from the local CBSA office to manipulate, unpack, pack, alter or combine with other goods while in a sufferance warehouse only for the purpose of:

(a) stamping the goods, if the goods consist of imported raw leaf tobacco or imported tobacco products that are placed in the sufferance warehouse in accordance with section 39 of the [Excise Act, 2001](#);

(b) stamping the goods, if the goods consist of vaping products that are placed in the sufferance warehouse in accordance with section 158.51(1) of the [Excise Act, 2001](#)

(c) marking the goods, if the goods consist of special containers of spirits or wine, imported by an excise warehouse licensee, that are placed in the sufferance warehouse in accordance with section 80 or 85 of the *Excise Act, 2001*; or

(d) marking the goods, if the goods consist of goods in respect of which any regulations made under paragraph 19(1)(a) of the [Customs Tariff](#) apply.

100. Each request must be approved by the local CBSA office.

### **Storage of Firearms and Other Weapons**

101. Under the [Firearms Act](#), a sufferance warehouse licensee will be required to possess a carrier licence or a business firearms licence and submit this with their application to the CBSA in order to store firearms, prohibited ammunition, prohibited devices or prohibited weapons. The Registrar of Firearms is responsible for issuing carrier licenses, and the Chief Firearms Officer of the province or territory where the business will operate is responsible for issuing business firearms licenses. Further information on these licenses is available on the Royal Canadian Mounted Police, Canadian Firearms Program Website at [www.cfc-cafc.gc.ca](http://www.cfc-cafc.gc.ca).

102. Firearms, prohibited ammunition, prohibited devices and prohibited weapons are required to be stored according to the [Storage, Display and Transportation of Firearms and Other Weapons by Businesses Regulations](#). The requirements in these Regulations must be applied in addition to current CBSA requirements. To ensure officer safety, the CBSA requires that firearms, prohibited ammunition, prohibited devices and prohibited weapons and their components be securely locked up while in a sufferance warehouse.

103. The licensee is responsible for immediately informing the CBSA if the office of the Registrar or the Chief Firearms Office revokes their carrier licence or a business firearms licence. [Memorandum D19-13-2, Importing and Exporting Firearms, Weapons, and Devices](#), the [Customs Tariff](#), [Criminal Code](#), [Firearms Act](#), and [Export and Import Permits Act](#) provide general information for the importation and exportation of firearms, weapons, ammunition and prohibited devices.

### **Time Limits**

104. Time limits for goods stored in a sufferance warehouse are prescribed in the *regulations*. Goods stored in a sufferance warehouse, which have not been removed

from the warehouse within 40 days after the day the goods were reported under the *act*, may be removed and deposited in a place of safekeeping.

### **Exceptions**

105. Perishable goods, which have not been removed from a warehouse within 4 days after the day of being reported, may be deposited in a place of safekeeping.

106. Prescribed substances within the meaning of the [Nuclear Safety Control Act](#) or prescribed items within the meaning of the [General Nuclear Safety and Control Regulations](#), which have not been removed within 14 days after the day of being reported, may be deposited in a place of safekeeping.

107. Firearms, prohibited ammunition, prohibited devices, prohibited or restricted weapons and tobacco or vaping products are of a prescribed class that are forfeited if they are not removed from a sufferance warehouse within 14 days after the day they were reported.

108. Spirits are of a prescribed class that are forfeited if they are not removed from a sufferance warehouse within 21 days after the day the goods were reported.

109. Further information on the storage of goods can be found in Memorandum D4-1-5, *Storage of Goods*. Information on the extension of time limits can be found in Memorandum D4-1-7, *Extension of Time Limits for the Storage of Goods*.

### **Place of Safekeeping**

109. The following locations may be designated as a place of safekeeping pursuant to section 37.1 of the *Act*:

(a) CBSA offices, highway frontier examining warehouses, King's warehouses;

(b) a portion of a sufferance or bonded warehouse; and

(c) any other place designated by the delegated official of the CBSA on behalf of the Minister of Public Safety.

### **Unclaimed Goods**

111. Under the *Regulations*, licensees must provide the CBSA with a list of all goods that are not removed from the sufferance warehouse within the time limits specified

above. The list must be provided on the first business day following the end of the specified time limits. Imported goods remaining in the warehouse beyond the specified time limits will be recorded by the CBSA as unclaimed and will be subject to disposal under the act.

### **Geographic Boundaries and Minimum Volume Thresholds to Open and Close a Sufferance Warehouse**

112. Recognizing that the CBSA regions across Canada have unique operational requirements, decisions by the CBSA to open new SW facilities or close existing facilities should continue to be considered on a case-by-case basis, taking into account the existing needs of the client balanced against the availability of CBSA personnel to service the location.

113. Specific criteria on minimum volume thresholds and maximum distances are not defined by the CBSA and cannot be standardized on a national basis. Local CBSA officials will continue to apply their discretion in the application of volume and distance thresholds, and strive to ensure consistency in their decisions to license new SW facilities or close existing facilities, based on their local needs.

### **Types of Sufferance Warehouses**

114. There are five main types of sufferance warehouses: A, B, C, S, and PS.

#### **Type A – General Merchandise**

115. An airline, marine, or railway company can operate a Type A sufferance warehouse. This type of warehouse is a company's primary warehouse and is used to store imported goods carried in the company's system. A Type A warehouse may also be operated by a cargo handler acting under contract as an exclusive agent of an airline, marine, or railway company.

116. Type A sufferance warehouses also include those located at a marine wharf and operated by a harbour commission, stevedoring company, or other person who provides equipment, personnel, and other services for unloading and storing imported, unreleased, in bond cargo arriving by vessel or by other means of transportation for export as per the restrictions the warehouse type restrictions outlined below.

Type A warehouses are classified into the following sub-types:

**AA**

airline company;

**AM**

marine company;

**AR**

railway company including rail yards and bond tracks;

**AH**

cargo handler for any of the above; and

**AW**

harbour commissions, stevedoring companies, and others.

**Air Sufferance Warehouses**

117. Air carriers must apply to operate a Type AA sufferance warehouse for receiving general merchandise arriving by air if the facility is located on airport property and if the CBSA provides service for receiving commercial shipments at the airport.

**Cargo Handler Warehouses**

118. Specific carriers may contract the services of a cargo handler to handle their imported freight. In these cases, the cargo handler is subject to the same rules and regulations as the carrier.

119. A cargo handler must meet the following conditions for approval to operate a Type AH sufferance warehouse:

(a) the cargo handler must act as the exclusive agent for the carrier. Exclusive agent means one cargo handler per carrier within the area of the CBSA office;

(b) a copy of the cargo handling contract containing information as presented in Appendix A is submitted to the CBSA with the application;

(c) the cargo handler owns or leases the warehouse facility. If the facility is leased, the CBSA may request a copy of the lease agreement; and

(d) shipments transported by the carrier and consigned to deconsolidators and freight forwarders must be transferred through the cargo handler's warehouse.

120. Cargo handlers may not operate as a consolidator, deconsolidator, or freight forwarder. However, they may provide a cargo handling service on behalf of

consolidators, deconsolidators, and freight forwarders if they have a written agreement to do so. When requested, cargo handlers must provide a copy of the agreement to the CBSA.

121. The CBSA must be given copies of any amendments to the cargo handling contract and, if applicable, confirmation that the contract has been renewed.

122. Cargo handlers must advise the CBSA in writing when a contract is terminated. The sufferance warehouse licence may be cancelled if the cargo handler does not have a cargo-handling contract with a carrier.

### **Marine Sufferance Warehouses**

122. Vessels carrying containerized cargo from overseas, meant to be discharged anywhere in Canada, must first report to one of Canada's designated FPOA container terminals and discharge containers for screening. Canada's designated FPOAs are equipped with radiation portals and screen all containers originating overseas for health, safety, and security (HSS) concerns. All overseas vessels carrying containerized cargo, unless specifically exempted under the Container Security Initiative, must first report to an FPOA. Marine containers destined to a different C/VESS in Canada for final port of discharge, can be reloaded and continue on-route to their destination after HSS screening is completed at the FPOA.

### **Rail Sufferance Warehouses**

124. Railway carriers must apply for a Type AR rail sufferance warehouse licence for each company yard in the area of a CBSA office where vehicles containing imported goods are held until the CBSA releases the goods. Specific tracks within the yard may be designated for this purpose.

125. If warehouse facilities are not available within the company yard, the CBSA may ask the railway carrier to relocate a shipment to a suitable designated area for examination. If there is no suitable area within the company yard, the shipment will be relocated to a sufferance warehouse.

### **Sufferance Warehouse Requirements and Restrictions**

126. Requirements and restrictions for the operation of warehouse types AA, AM, AR, AH and AW are:

- (a) Warehouse Type: AA

Delivery requirement: direct delivery permitted  
Commodity type: general merchandise  
Mode: air; rail (export only); marine (export only);  
highway (export only)  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: region  
Other restrictions: located on-site at airport

(b) Warehouse Type: AM

Delivery requirement: direct delivery permitted  
Commodity type: general merchandise  
Mode: marine; air (export only); rail (export only);  
highway (export only)  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: region  
Other restrictions: containers stored for export must be intact.

(c) Warehouse Type: AR

Delivery requirement: direct delivery permitted  
Commodity type: general merchandise  
Mode: air, rail, marine, highway  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site at the discretion of the region  
Delegated licensing authority: region

(d) Warehouse Type: AH

Delivery requirement: direct delivery permitted  
Commodity type: general merchandise  
Mode: air; rail (export only); marine (export only)  
highway (export only, trans-border)  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: region



Other restrictions: located on-site at airport/exclusive agent for the carrier

(e) Warehouse Type: AW

Delivery requirement: direct delivery permitted

Commodity type: general merchandise

Mode: marine; air (export only); rail (export only);  
highway (export only)

Deconsolidation/consolidation: no

Application type: E400

Serviceability: on-site

Delegated licensing authority: region

Other restrictions: containers stored for export must be intact.

### **Type B – General Merchandise**

127. A Type B sufferance warehouse is used to store imported goods that arrive by highway in commercial vehicles. Type B warehouses are classified into the following sub-types:

#### **BW**

for imported goods deposited by highway carriers;

#### **BL**

operated by highway carrier;

#### **BL Off-site**

operated by highway carriers for containerized freight only.

### **Highway Sufferance Warehouses**

128. The CBSA restricts the number of Type BW highway sufferance warehouses to one within the area of a CBSA office. However, the CBSA may consider licensing additional warehouses under the following conditions:

(a) the volume of commercial highway traffic processed at the CBSA office exceeds 40,000 shipments a year over a sustained period as determined by the Minister;

(b) the CBSA is able to provide service to the newly proposed facility; and

(c) the applicant demonstrates the ability to attract enough shipments to justify providing a CBSA officer on a full-time basis.

129. The CBSA will not normally approve a licence to operate a Type BW sufferance warehouse for receiving general merchandise arriving by commercial vehicles at border locations as they are already serviced by frontier examining warehouses. Exceptions may be made if the frontier examining warehouse is unsuitable for storing and examining commercial shipments or if the volume of traffic justifies licensing a highway sufferance warehouse. Exceptions can only be made if the CBSA is able to provide service.

130. If the Minister determines that a new or an additional Type BW sufferance warehouse is required, applications will be invited through the issuance of a Customs Notice issued by the region. All applications must be submitted through the CCP to the CBSA office indicated in the advertisement.

131. The CBSA will issue a licence to the successful applicant once all requirements are met and advise all applicants in writing of the Minister's decision.

132. Once a Type BW licence has been issued in an area, the CBSA will not consider applications for additional sufferance warehouse licenses for at least two years unless otherwise directed by the Minister.

### **Type BL**

133. Type BL sufferance warehouses are operated by a bonded highway carrier leasing space within a BW warehouse to store imported goods carried in the bonded highway carrier's system, such as goods carried under the carrier code assigned by the CBSA.

### **Type BL Off-Site**

134. Type BL off-site sufferance warehouse licences are issued if the following conditions are met:

- (a) the cargo is transported in containers;
- (b) appropriate container lifting equipment is available at the warehouse. This equipment must have the capability of lifting on and off 6 and 12 meter (20 and 40 foot) containers, up to a maximum weight of 45,360 kilograms (100,000 pounds);
- (c) the Type BW sufferance warehouse in the area lacks adequate equipment or space to ground the containers;

(d) the off-site warehouse is within a reasonable distance of the CBSA office or Type BW highway sufferance warehouse, as determined by the CBSA;

(e) if the CBSA wishes to examine goods, the carrier must return them to a Type BW highway sufferance warehouse. A separate written agreement is required between each Type BW highway sufferance warehouse licensee and each off-site warehouse; and

(f) all other applicable licensing requirements as specified in this memorandum are met.

**135. Requirements and restrictions for the operation of warehouse types BW, BL and BL Off-site are:**

(a) Warehouse Type: BW

Delivery requirement: direct delivery permitted

Commodity type: general merchandise

Mode: rail, marine, highway

Deconsolidation/consolidation: no

Application type: E400

Serviceability: on-site

Delegated licensing authority: HQ

Other restrictions: public facility – one per port

(b) Warehouse Type: BL

Delivery requirement: direct delivery permitted

Commodity type: general merchandise

Mode: highway

Deconsolidation/consolidation: no

Application type: E400

Serviceability: on-site

Delegated licensing authority: region

Other restrictions: located on-site at BW

(c) Warehouse Type: BL Off-site

Delivery requirement: direct delivery permitted

Commodity type: general merchandise

Mode: highway

Deconsolidation/consolidation: no

Application type: E400  
Serviceability: on-site at the discretion of the region  
Delegated licensing authority: region  
Other restrictions: containerized freight only

### **Type C – General Merchandise**

136. Type C sufferance warehouses are operated by a third party for the storage, deconsolidation and sorting of imported shipments. They are also used for the consolidation of shipments according to their destination. Type C sufferance warehouses are classified into the following sub-type:

#### **Type CW**

137. Type CW Warehouses are operated by a consolidator, deconsolidator, bonded freight forwarder or customs broker.

138. A Type CW sufferance warehouse licence will be issued if the applicant meets all of the regulatory requirements including volume of business, financial stability, physical structure, and location of the building. The CBSA may reject any application if the proposed facility is not located within a reasonable distance of locations where CBSA commercial service is currently provided, as determined by the CBSA. The application may also be rejected if the CBSA determines that providing service to the proposed facility will adversely affect service levels at other approved locations.

139. At locations where the CBSA will provide service on a full-time basis, the applicant must be prepared to fund the installation and maintenance of any technological equipment and/or updates as required by the CBSA.

140. Regional officials will determine where release documents will be processed in their region.

141. The CBSA may consider an application for a licence to operate a Type CW sufferance warehouse that is not located on airport property if the CBSA is able to provide service. Approval is also subject to the following conditions:

- (a) each CBSA region will decide if there is a need to place geographical restrictions on the location of off-airport warehouses;
- (b) where the CBSA is unable to provide service directly to these off-airport warehouses, operators must make arrangements, subject to the CBSA approval, with an existing sufferance warehouse to handle the goods requiring CBSA examination; and

- (c) regional CBSA officials will determine where release documents will be processed in their region.

**142. Requirements and restrictions for operating a type CW sufferance warehouse are:**

- (a) Warehouse Type: CW

Delivery requirement: direct delivery – no. Exceptions to this are overland movement, transborder and in-transit sea-air direct. In addition direct delivery may also be authorized in the situations referenced in paragraph 143.

Commodity type: general merchandise

Mode: air, rail, marine, highway

Deconsolidation/consolidation: yes

Application type: E400

Serviceability: on-site at the discretion of the region

Delegated licensing authority: region

Other restrictions: operated by a third party for storage/consolidation/deconsolidation/sorting.

143. Consolidated shipments consigned to a freight forwarder and reported by the primary carrier at the First Point of Arrival (FPOA), may be authorized by the CBSA to move directly to the freight forwarder CW type, sufferance warehouse sub-location warehouse code that is indicated on the cargo information provided by the primary carrier, under the following conditions:

- (a) The reporting carrier pre-arrival cargo information will include: the freight forwarder as consignee and the consolidation indicator as "Y"; and

- (b) The pre-arrival secondary house bill information is on file and in a reported status at the FPOA; and

- (c) The reporting carrier is bonded (where applicable), and maintains liability for the goods reported until a transfer of liability has taken place at the destination warehouse; and

- (d) The sufferance warehouse operator receiving the cargo transmits an electronic Warehouse Arrival Certification Message (WACM) as defined in Section 14 of the regulations; and

- (e) The CW type sufferance warehouse is able to receive the electronic Deconsolidation Notice from the CBSA.

144. A hold at the first point of arrival (FPOA) supersedes an authorization to move that may be granted by the CBSA. Where a hold for a health, safety and security (HSS) examination is placed on the shipment, the shipment will be held at the primary sufferance warehouse at the FPOA. In the highway and rail modes, this will be the designated commercial office or First Place of Operational Intervention (FPOI), as applicable. Movement beyond the primary sufferance warehouse at FPOA, the designated commercial office or FPOI will not be allowed unless authorized by the CBSA.

145. Where there is a change in the carrier who is transporting the in-bond shipment, a new CCD with a new CCN i.e. a manual paper re-manifest must be presented to the CBSA for approval before the goods are allowed to proceed to the destination sufferance warehouse. The information on the re-manifest must match the information on the original cargo transmission and include the warehouse sub-location code.

### **Type S – Specific Classes of Goods**

146. A Type S sufferance warehouse is one operated by a person or persons for the storage of specific classes of imported goods arriving by any mode of transportation. Type S sufferance warehouses are classified into the following sub-types:

#### **SF**

perishable goods, e.g. fruits and vegetables, fresh meat, fish, poultry, flowers, human plasma, etc.

#### **SH**

used household goods and personal effects;

#### **SL**

provincial liquor jurisdictions;

#### **SO**

other specific classes of goods as specified on the warehouse licence. Some examples include bulk and liquid products, products used in the oil drilling industry, and lumber.

#### **SO (CSA) – EDI-LTL**

goods transported by CSA carriers.

### **Type SO (CSA) Sufferance Warehouses**

147. A type SO (CSA) sufferance warehouse will be issued if the applicant meets the regulatory requirements, as well as the requirements of the CSA program. See

[Memorandum D23-2-1, Customs Self-Assessment Program for Carriers](#) for information on CSA program requirements. If the CBSA is unable to provide service directly to these warehouses, operators will be required to backhaul shipments requiring examination to an existing sufferance warehouse. When a backhaul arrangement is being used, the applicant will not be required to meet the examination requirements outlined in section 11(b), and (c) of the *Regulations*. These arrangements are subject to approval by the CBSA. However, the CBSA may reject any application if the proposed facility is not located within a reasonable distance of locations where commercial service is currently provided, as determined by the CBSA.

**148. Requirements and restrictions for operating warehouse types SF, SH, SO and SO (CSA) are:**

(a) Warehouse Type: SF

Delivery requirement: direct delivery permitted  
Commodity type: perishable goods, e.g. fruits and vegetables, fresh meat, fish, poultry, flowers, human plasma, etc.  
Mode: air, rail, marine, highway  
Deconsolidation/consolidation: yes  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: region

(b) Warehouse Type: SH

Delivery requirement: direct delivery permitted  
Commodity type: household goods and personal effects  
Mode: air, rail, marine, highway  
Deconsolidation/consolidation: yes  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: region

(c) Warehouse Type: SL

Delivery requirement: direct delivery permitted  
Commodity type: specific  
Mode: air, rail, marine, highway  
Deconsolidation/consolidation: yes  
Application type: E400  
Serviceability: on-site

Delegated licensing authority: Headquarters  
Other restrictions: operated by Provincial liquor jurisdictions

(d) Warehouse Type: SO

Delivery requirement: direct delivery permitted  
Commodity type: specific commodities, including bulk and liquid products, products used in the oil drilling industry, and lumber  
Mode: air, rail, marine, highway  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: Headquarters

(e) Warehouse Type: SO (CSA)

Delivery requirement: direct delivery permitted  
Commodity type: specific  
Mode: highway  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site at the discretion of the region  
Delegated licensing authority: Headquarters  
Other restrictions: CSA carrier/EDI-LTL

### **Type PS – Private Railway Siding**

149. Type PS sufferance warehouses are railway sidings owned or operated by an importer where carloads of imported goods are held pending release by the CBSA.

150. The following conditions must be met before an application to operate a Type PS private railway siding will be approved:

- (a) the location is within an area serviced by the CBSA;
- (b) the CBSA is able to provide service; and
- (c) full carloads are shipped on one rail cargo control document and the goods are consigned to the importer with the private siding privilege.

151. For Type PS warehouses, you must submit your application with the following:



- (a) a site plan of the property showing the location of the siding within the company yard;
- (b) a letter confirming that full carloads will be shipped on one rail cargo control document and that the goods will be consigned to the importer with the private siding privilege; and
- (c) security as required under paragraph 4(1) of the *Regulations* or confirmation that security will be provided upon receipt of the licence.

152. The section regarding Sub-leasing a Sufferance Warehouse, paragraphs 49-53 of this document as well as Building Requirements, paragraphs 67-70, and Building Modifications, paragraphs 71-73, do not apply to private railway sidings. The application process and other requirements for licensing PS type sufferance warehouses can be found beginning at paragraph 4 of this document.

153. Requirements and restrictions for operating warehouse Type PS are:

(a) Warehouse Type: PS

Delivery requirement: direct delivery permitted  
Commodity type: general merchandise  
Mode: rail  
Deconsolidation/consolidation: no  
Application type: E400  
Serviceability: on-site  
Delegated licensing authority: region  
Other restrictions: operated by importers

154. In all cases where the CBSA does not provide on-site service for examinations, operators will be required to make arrangements, subject to CBSA approval, with an existing sufferance warehouse for the handling of goods requiring examination.

### **Penalty Information**

155. A sufferance warehouse licensee is responsible to the Government of Canada for the safekeeping of all goods stored in the warehouse pending their entry into the economy of Canada or lawful removal. The licensee is liable for all duties and taxes assessed on the goods unless the licensee can produce the goods or show to the satisfaction of CBSA officials that the goods have been duly entered into Canada, lawfully removed from the warehouse, or destroyed while in the warehouse.

156. Licensees will be subject to penalties under the Act for failing to meet regulatory requirements. For more information on AMPS, please refer to [Memorandum D22-1-1, Administrative Monetary Penalty System](#). For a listing of Administrative Monetary Penalties please see CBSA's [Master Penalty Document](#) available on the CBSA website.

### **Monitoring and Warehouse Checks**

157. The CBSA monitors licensed sufferance warehouse facilities on an ongoing basis and conducts periodic warehouse checks to make sure the facility continues to meet all regulatory and program requirements. The CBSA will suspend or cancel the licence if licensees whose facilities, equipment, or accommodation do not meet the regulatory or operational requirements. The CBSA advises licensees in writing of licence suspensions or cancellations and allows a reasonable period of time to correct deficiencies.

## **Appendix**

### **APPENDIX A**

#### **Cargo Handling Contract**

##### **Import Cargo**

1. Offload bulk cargo from vehicles when applicable.
2. Break down and/or empty unit load devices, e.g., pallets, containers.
3. Check incoming cargo against document(s).
4. Sort and store import cargo for a period to be mutually agreed upon and in accordance with CBSA requirements.
5. Place cargo under CBSA control, clearing discrepancies in accordance with CBSA requirements.
6. Notify consignee/agent of arrival in accordance with the carrier's instructions and in accordance with CBSA requirements.
7. Provide facilities for collection of collect charges.
8. Take action in accordance with the carrier's instructions where the consignee refuses to accept the shipment.

##### **Cargo Services**

9. Clear cargo through CBSA in accordance with the instruction(s) of the carrier's clients and in concurrence with CBSA requirements.
10. Store cargo in accordance with CBSA requirements.

##### **Transfer Cargo**

11.
  - (a) Offload bulk cargo from vehicles.
  - (b) Break down and/or empty unit load devices, e.g., pallets, containers.
  - (c) Check incoming cargo against document(s).
12. In accordance with CBSA requirements put cargo under CBSA control, clearing discrepancies.

13. (a) Sort and  
(b) Store transfer cargo for a period to be mutually agreed upon prior to dispatch in accordance with the nature of goods and the routing of the cargo.

14. Provide essential equipment and storage facilities for special cargo for example perishables, live animals, valuables, news films, and other special items.

15. Prepare transfer manifest(s) for cargo to be transported by another carrier.

16. Provide transport to the warehouse of the receiving carrier, for transfer cargo under cover of a transfer document or any other document required by the CBSA.

### **Export Cargo (where applicable)**

17. Provide accommodation and services for acceptance of cargo and ensure adequate control that shipments and documents when delivered for transportation by shipping either directly or through the intermediary of carrier's agent are made "ready for carriage," any irregularity to be reported to the carrier.

18. In accordance with CBSA requirements, put cargo under CBSA control.

19. (a) Sort and  
(b) Store export cargo for a period to be mutually agreed upon prior to dispatch in accordance with the nature of goods and the routing of the cargo.

20. Tally and assemble for dispatch by weight and volume cargo up to capacity available on the carrier's vehicles.

21. Prepare for delivery onto vehicles:

- (a) Bulk cargo and
- (b) Unit load devices, e.g., pallets, containers.

22. (a) Prepare cargo control documents.  
(b) Split waybill/probill sets. Forward applicable copy of the cargo control document and waybills, probills as mutually agreed upon.  
(c) Where applicable, return copy of the waybill/probill to the shipper endorsed with shipping details.

23. Obtain CBSA export clearance.

**General**

24. Present to CBSA, as required, cargo for physical examination.
25. Deal with lost, found, and damaged cargo and report such irregularities to the carrier.
26. Notify the carrier of any complaints and claims made by the carrier's clients.

**For Air Only**

27. The cargo handler undertakes to convey and deliver documents between aircraft and appropriate airport buildings.
28. The cargo handler undertakes to provide transport for CBSA personnel from warehouse to aircraft and ramp area as and when required.

## References

Consult these resources for further information.

Customs Sufferance Warehouse Licence Application Form E400

[CBSA CARM webpage](#)

[Memorandum D1-7-1, Posting Security for Transacting Bonded Operations](#)

[Memorandum D1-2-1, Special Services](#)

Form A8A, Cargo Control Document

[D3-3-1 Freight Forwarder Pre-arrival and Reporting Requirements](#)

Electronic Commerce Clients Requirements Document, Chapter 11, Advance Commercial Information (ACI)/eManifest Notices

Forms A10, Cargo Control Abstract

Memorandum D3-1-1, Policy Respecting the Importation and Transportation of Goods

Memorandum D17-1-21, Maintenance of Records in Canada by Importers

Memorandum D19-13-2, Importing and Exporting Firearms, Weapons, and Devices

[Memorandum D4-1-5, Storage of Goods](#)

Memorandum D4-1-7, *Extension of Time Limits for the Storage of Goods*

[Memorandum D3-5-1, Marine Pre-load/Pre-arrival and Reporting Requirements](#)

[Memorandum D23-2-1, Customs Self-Assessment Program for Carriers](#)

[Memorandum D22-1-1, Administrative Monetary Penalty System](#)

[Master Penalty Document](#)

## Applicable legislation

- [Customs Act](#)
- [Export and Import Permits Act](#)
- [Firearms Act](#)
- [Criminal Code](#)
- [Customs Tariff](#)
- [Excise Act, 2001](#)
- [Nuclear Safety and Control Act](#)
- [General Nuclear Safety and Control Regulations](#)
- [Customs Sufferance Warehouse Regulations](#)
- [Storage of Goods Regulations](#)
- [Storage, Display and Transportation of Firearms and Other Weapons by Business Regulations](#)
- [Imported Goods Regulations](#)

- [Transportation of Goods Regulations](#)
- *Financial Security (Electronic Means) Regulations*

## **Superseded memoranda D**

[Memorandum D4-1-4 November 21, 2021](#)

## **Issuing office**

Regulatory Trade Programs Division  
Trade and Anti-dumping Programs Directorate  
Commercial and Trade Branch

## **Contact us**

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.

Online enquiries can be made using the [Client support contact form](#).