



Memorandum D8-2-16: Courier Imports Remission

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This memorandum outlines the policy and procedures to claim a remission of customs duties, sales and excise taxes on certain imported goods transported into Canada by courier services.

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Updates made to this D-memo

This memorandum has been revised to:

- provide further information related to the [Courier Imports Remission Order](#) (CIRO)
- introduce new changes related to the Canada Border Services Agency (CBSA) Assessment and Revenue Management (CARM) system of record

Definitions

1. In this memorandum, the following definitions apply:

Commercial Accounting Declaration (CAD): the customs document used to account for goods imported into Canada.

Courier: a commercial carrier that is engaged in scheduled international transportation of shipments of goods other than goods imported by mail.

Guidelines

General

2. The CIRO applies to all qualifying goods imported into Canada and transported by courier services.
3. The CIRO grants remission of customs duties and taxes in respect of imported goods, other than goods imported from Mexico or the United States, that are transported by courier and have a value for duty of \$20 Canadian dollars (CAD) or less.
4. Goods imported from Mexico or the United States that are transported by courier may qualify for the remission of:
 - the customs duties, if the goods have a value for duty of \$150 or less; and
 - the excise taxes, if the goods have a value for duty of \$40 or less.

Exceptions

5. The following goods are ineligible for the remission of customs duties and taxes under the CIRO:
 - alcoholic beverages, cannabis products, vaping products, tobacco products;
 - goods classified under tariff item No. 9816.00.00 and goods for which the value for duty is reduced by the application of section 85 of the [Customs Tariff](#); and
 - books, newspapers, magazines, periodicals and other similar publications where the supplier is required to register under Subdivision d of Division V of Part IX of the [Excise Tax Act](#) and has not registered.
6. For more information, see the definition of “goods” in paragraph 2 of the CIRO.
7. The CIRO does not apply to the following commercial transactions:
 - imported goods that are purchased from a retailer in Canada and shipped to the purchaser directly from a place situated out of Canada;
 - imported goods that are purchased or ordered through or from an address, a post office box or a telephone number in Canada; or
 - goods that are imported by a person other than the person in Canada who ordered or purchased the goods.

Note: Duties and taxes are collected in all such instances whether the Canadian intermediary is a retailer who arranges for direct shipment from the foreign supplier to the Canadian customer, or is an agent or employee of the foreign supplier. Usually, in this type of transaction, the Canadian supplier, agent, or employee carries no inventory from which to fill orders.

For example, a foreign vendor employs an agent on a commission basis to sell a product. The agent takes an order valued at CAD \$20 from the Canadian consumer and submits the order to the foreign supplier. The supplier fills the order by shipping the product directly to the Canadian consumer's address. The export declaration shows a value of CAD \$20 for the goods. In this case, the Order does not apply because of the type of the commercial transaction, and the goods are subject to all applicable duties and taxes.

Other Considerations

8. To receive the benefit of the CIRO, or the benefit of non-taxable status under Schedule VII to the *Excise Tax Act*, the total shipment must be subject to a single transaction. It is not acceptable to divide a shipment into several packages so that individual shipments have a value for duty below the thresholds prescribed in the CIRO.
9. Where the value for duty of the shipment exceeds the thresholds outlined in CIRO, customs duties are applicable to the entire value of the shipment, in accordance with the *Customs Tariff*.
10. Under the Canada-United States-Mexico Agreement (CUSMA), Canada has agreed to maintain a *de minimis* threshold for courier shipments from the US or Mexico of at least CA \$150 for customs duties and CAD \$40 for taxes.
11. Goods do not need to originate from a CUSMA Party to benefit from the higher *de minimis* threshold, but must be shipped from the US or Mexico where the goods must have entered into the commerce of either Party, prior to being shipped to Canada.
12. Goods that are transshipped via the United States or Mexico, and do not enter the commerce of the United States or Mexico, are subject to the lower CAD \$20 *de minimis* threshold set out in paragraph 4 of the CIRO. Also, goods that were manufactured in the United States and transshipped or shipped from another country (other than Mexico) will be subject to lower *de minimis* threshold.
13. Goods imported into Canada from countries other than the United States and Mexico will continue to benefit from a duty and tax remission threshold of up to CAD \$20.

Procedures for Claiming the CIRO

14. The following codes have been created for use in the Special Authority OIC field in the CARM system of record to claim the CIRO (Order in Council number 85-2955) or the benefit of non-taxable status under Schedule VII to the *Excise Tax Act*.
 - **85-2955-1:** CIRO shipments with a value for duty of CAD \$0 - \$20 (other than those imported from the United States or Mexico);
 - **85-2955-2:** CIRO shipments with a value for duty of CAD \$0 - \$40 (imported from the United States or Mexico); and
 - **85-2955-3:** CIRO shipments with a value for duty of CAD \$40.01 - \$150 (imported from the United States or Mexico).
15. Goods falling into categories 85-2955-1 and 85-2955-2 do not require accounting under section 32 of the [Customs Act](#). Goods which are restricted, controlled or regulated may qualify under the CIRO or non-taxable status under Schedule VII to the *Excise Tax Act*, however they must be accounted for using the appropriate code.
16. Qualifying goods imported from the United States or Mexico, and having a value for duty of CAD \$40.01 to \$150, must be accounted for and any applicable duties and taxes must be paid. When claiming CIRO under these circumstances, 85-2955-3 must be shown in the Special Authority OIC field and United States or Mexico must be indicated as the Place of Export.
17. Qualifying goods released under the CLVS Program, and having a value for duty of CAD \$40.01 to \$150, must be accounted for on a Commercial Accounting Declaration (CAD), Type F. Qualifying goods can be accounted for individually on a transaction-by-transaction basis or consolidated if the information is the same for each of the following:
 - Business Number, import/export account;
 - Place of Export (United States or Mexico);
 - Special Authority OIC (85-2955-3);
 - Excise Tax Rate;
 - Rate of GST; and
 - Rate of PST.
18. Qualifying goods released outside of the CLVS Program, and having a value for duty of CAD \$40.01 to \$150, must be accounted for on a CAD, Type AB or C.
19. Further information relating to the completion and submission of accounting documentation can be found in [Memorandum D17-1-10, Coding of Customs](#)

[Accounting Documents](#) and [Memorandum D17-1-5, Accounting for Commercial Goods](#).

Corrections and Adjustments

20. A correction or adjustment may be submitted if the imported goods were eligible for CIRO or non-taxable status under Sections 7 or 7.01 of Schedule VII to the *Excise Tax Act*, but the benefit was not claimed at the time of accounting.
21. Information on how to submit a correction for commercial goods can be found in *Memorandum, D17-1-5, Accounting for Commercial Goods*.
22. Information on how to submit an adjustment for commercial goods can be found in [Memorandum D17-2-1, Adjusting Commercial Accounting Declarations](#).
23. Adjustments for non-commercial goods must be made through [Form B2G, CBSA Informal Adjustment Request](#) or through CREDITS for authorized CLVS Program participants. For more information on non-commercial adjustments, refer to [Memorandum D6-2-6, Refund of Duties and Taxes on Non-Commercial Importations](#).

Compliance Verification Activities

24. All goods for which the CIRO or the benefit of non-taxable status under Schedule VII to the *Excise Tax Act* is claimed may be subject to CBSA compliance verification activities. The CBSA may request for further documentation to substantiate the data reported or declared to the CSBA for the purposes of claiming this benefit. Such documentation may include: a Canada Customs Invoice, Commercial Invoice, etc.

References

Consult these resources for further information.

Applicable legislation

- [Customs Act](#)
- [Excise Tax Act](#)
- [Financial Administration Act](#)
- [Customs Tariff](#)
- [Accounting for Imported Goods and Payment of Duties Regulations](#)

- [Courier Imports Remission Order](#)

Related D memoranda

- [Memorandum D6-2-6: Refund of Duties and Taxes on Non-commercial Importations](#)
- [Memorandum D17-1-5, Accounting for Commercial Goods](#)
- [Memorandum D17-1-10, Coding of Customs Accounting Documents](#)
- [Memorandum D17-2-1, Adjusting Commercial Accounting Declarations](#)

Superseded D memoranda

D8-2-16 dated September 7, 2016

Issuing office

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Contact us

[Contact border information services](#)