

3.5 EXECUTION PHASE

EXHIBIT M – End-Use

Document Name End-Use
Document Number 3.5M

When/How Used Used to assist the CVO in verifying end-use during a compliance verification when it has been determined that the client utilizes end-use provisions.

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Document Owner

Division Compliance Management
HQ

Contact Contact your local compliance verification office at:
<http://cbsa.gc.ca/contact/listing/indexpages/index-e.html>

Other Stakeholders

Verification Program – End-Use

COMPANY

FILE NO.

PERIOD

TO

Verification Objectives

For the selected sample:

- Ensure that the goods qualify for the provisions of the tariff classification number or a tariff number of Chapter 99.
- Ensure that the client has a system for recording and reporting diversions.
- Ensure that the time limits for reporting of diversions are in accordance with the regulations.
- Ensure that the appropriate end-use provisions form an integral part of the classification-rating guide.

END-USE VERIFICATION PROCEDURES	DONE BY	REF.
For the selected sample:		
1. Review CBSA rulings (i.e. stocking authorizations, percentage arrangements, manufacturers' recognition, or other commodity rulings) to ensure that they were valid at the time of accounting and cover the goods under review.		
2. Review the tariff classification of the imported goods in obtaining the following information such as: <ul style="list-style-type: none"> • Manufacturer's literature which describes and illustrates the imported goods; • Descriptive manufacturer's literature and/or catalogue which indicates the imported goods material of composition; • Descriptive manufacturer's literature that illustrates and identifies the imported goods and shows their integration into a complete machine or article; • Manufacturer's literature completely describing the imported product and its chemical composition; • Descriptive manufacturer's literature that fully illustrates and identifies their recommended functions; • Manufacturer's literature and/or catalogue that fully describes and illustrates the goods and depicts their mechanical functions; • A complete parts list that illustrates each of the imported parts and shows how each is integrated into a complete unit. The information should be cross-referenced and highlighted. Advise if the imported goods are parts or accessories and verify with illustrations and a parts list; • Mill certificate; • Any previous classification opinions issued by the CBSA on these goods; • Copy of the relevant purchase order(s) and commercial invoice(s); • State if any further manufacture is required prior to first use and describe this process; • A sample of the imported product. If this product is hazardous or requires special handling please ship the sample directly to the CBSA's laboratory. 		

END-USE VERIFICATION PROCEDURES	DONE BY	REF.
3. Review policy papers of D-Memoranda for any end-use tariff items.		
4. Review the technical or commodity specifications to ensure that the goods meet the wording of the end-use provision claimed at the time of accounting.		
5. Review disposition of goods (e.g. manufacturing processes) to ensure that the goods were used in accordance with the end-use or end-user provision described in the wording of the tariff item/code claimed at the time of accounting.		
6. Request and review end-use certificates to ensure their validity, including that they are signed by the actual qualified end-user, unless the goods are deemed to be committed-by-design, or are covered by a percentage arrangement.		
7. Review the importer's system of recording and reporting diversions to ensure that it is adequate.		
8. Review the recording and reporting of diversion to ensure that they are done so within the limit specified in the law.		
9. Review those diversions reported to ensure that interest and penalty charges are levied against diversions that were accounted for outside the stipulated period.		
10. a) Record the findings. b) Determine if any applicable NPAs – AMPS penalties		
11. Conclude as to whether or not all goods have been accounted for in accordance with end-use provisions.		
12. Record results in the Compliance Management Workbook. The information from the CM Workbook will be included in the Final Verification Report to the client.		
13. Prepare recommendations to be presented to the client.		
14. Prepare summary of AMPS penalties.		