

3.5 EXECUTION PHASE

EXHIBIT T – Statistics Canada

Document Name	Statistics Canada
Document Number	3.5T
When/How Used	Used during a multi-program verification to verify trade data elements on behalf of Statistics Canada
Created on	March 15, 2003
Last Updated On	January 19, 2005
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 – Statistics Canada

COMPANY

FILE NO.

PERIOD

TO

Verification Objectives

1. To determine whether the Statistics Canada data elements are accurately reported for the verification period under review.
2. The following elements require verification and must be reported:
 - a) Method of Reporting United States Freight
 - b) Country of Origin
 - c) Place of Export
 - d) HS Classification
 - e) Tariff Code
 - f) Quantity
 - g) Unit of Measure
 - h) Value for Duty Code
 - i) Value for Duty
3. The following elements do not require verification; however, these elements must be reported as declared from CCS:
 - Entry Type
 - Office No.
4. To determine that the importer has in place procedures to meet the regulatory and procedural requirements of Statistics Canada.

NOTE:

Statistics Canada can be contacted should the compliance verification officer require guidance or assistance with respect to the verification of the statistical elements.

Upon completion of the verification, the Compliance Management Division in HQ will forward the data collected to Statistics Canada – International Trade Division.

Verification Procedures

For the sample selected, the following documents may be examined to support the data reported for statistical requirements (this list is not exhaustive):

Commercial invoices; Certificates of Origin; supplier's invoices; purchase orders; packing slips; bills of lading; manifests; receiving or inspection reports; CCI and B3s.

To ensure that the information transmitted by the importer is adequate, the following variables form part of the verification: All initial (declared) information is entered onto the Input Sheet of the CM Workbook. The data elements below have been listed in the order they appear on the Company Data tab and Input Sheet of the CM Workbook, version 4.5.

STATISTICS CANADA VERIFICATION PROCEDURES	DONE BY	REF.
<p>1. Method of Reporting United States Freight</p> <p>As part of the Canada-United States data Exchange Agreement, signed in 1990, United States Freight data is collected for all shipments where the Place of Export is the United States and where the value for duty is equal or greater than CAN\$2,500.</p> <p>United States Freight information is used by U.S. Customs & Border Protection to estimate the revenue levels involved in transporting goods from the United States to Canada. In addition, it is used by the United States Bureau of Economic Analysis in the determination of gross domestic product.</p> <p>The officer is required to verify how freight is reported on the confirming entry. This information is captured in the CM Workbook, on the Company Data Tab of the input sheet. A drop-down box in the CM Workbook that includes the most common methods of reporting freight is provided to assist the officer. The following methods are included:</p> <ul style="list-style-type: none"> ○ Dummy Number: an example of this would be when at time of accounting the importer/agent simply enters \$1 or some other non-relative number. ○ Freight Estimates: the freight bill has not been received at the time of accounting so an estimate of what the cost would be is entered. 		

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<ul style="list-style-type: none"> ○ Freight Schedules/Contracts: when an Importer negotiates a contract with a freight forwarder it may result in a set rate for transportation. The number entered on the B3 may be a set amount based on this schedule or contract. ○ Freight/Carrier Invoice: the actual freight invoice may be available when the shipment is released. In this case the importer/agent will have entered an actual amount. ○ Industry Standard: if this selection is made you will be provided with another field (Explain Industry Standard). If the company declares their freight based on an industry standard then it will need to be explained in the additional field. ○ Percentage of Value: at time of accounting the Importer/Agent declares a percentage of the value for freight. ○ Use of Owner Carrier: because the company uses their own carrier the amount declared for freight is likely standard. (Explain company standard) ○ Other: if this selection is made you will be provided with another field (Please Specify Other). You will need to explain what “other” relates to. <p>2. Country of Origin</p> <p>For statistical purposes, country of origin is the country or state where the goods were grown, mined or manufactured.</p> <p>This data element is verified as part of the origin review and the “determined” country of origin code must be entered on the Origin Sheet of the CM Workbook.</p> <p>It is important for the officer to ensure that the country of origin code listed on the B3 is the correct code for the country of origin that has been determined in the Origin Review.</p>		

STATISTICS CANADA VERIFICATION PROCEDURES	DONE BY	REF.
<p>NOTE: This data element must be verified for ALL samples, regardless of the Tariff Treatment claimed.</p> <p>3. Place of Export</p> <p>The place of export is defined as the country or United States state from which the goods have been directly consigned to Canada. It is the place from where the shipment began its continuous journey to Canada.</p> <p>This data element is verified as part of the origin review and the “determined” place of export code must be entered on the Origin Sheet in the CM Workbook.</p> <p>4. HS Classification</p> <p>All imported goods must be properly described and correctly classified in accordance with the <i>Customs Tariff</i> and its regulations. The HS code is a 10-digit Classification number where the final 2-digits are called the statistical suffix. Although the final 2-digits are used for statistical purposes, the entire 10-digit code is important. The accuracy of the statistical level annotations is important for the Canadian public who uses this information for market research purposes.</p> <p>This data element is verified as part of the Classification review and the “determined” HS Classification number must be entered on the Classification Sheet of the CM Workbook.</p>		

STATISTICS CANADA VERIFICATION PROCEDURES	DONE BY	REF.
<p>Quantity (cont'd)</p> <p>If imperial, convert to the metric quantity required by Schedule 1, or to kilograms as required by the weight;</p> <p>Multiply the unit price by the correct quantity and crosscheck to the Value for Duty; or conversely, the Value for Duty may be divided by the unit price to obtain the correct quantity.</p> <p>If there is a discrepancy between the values, check with the company representative to determine if this is a quantity or a value error;</p> <p>NOTE: If the officer is reviewing a portion of the B3 line, the quantity identification is a two-part process. First, the officer will need to determine the quantity of the sample selected for review and compare this with the quantity declared (Partial Line Quantity). The quantity of the sample will be entered in the CM Workbook Partial Line Quantity field, located on the Classification sheet. The officer will then need to record the Determined quantity of the sample in the CM Workbook in the Quantity Determined field.</p> <p>7. Unit of Measure</p> <p>The unit of measure code identifies the unit quantity of the goods reported, i.e., tonnes, litres, grams</p> <p>The HS Classification number, which was determined in the Classification review, dictates the unit of measure to be used on the B3.</p> <p>The “determined” unit of measure Code must be entered on the Classification sheet of the CM Workbook (if applicable).</p>	<div data-bbox="1198 436 1230 472"><input type="checkbox"/></div> <div data-bbox="1198 583 1230 619"><input type="checkbox"/></div> <div data-bbox="1198 730 1230 766"><input type="checkbox"/></div>	<div data-bbox="1365 436 1398 472"><input type="checkbox"/></div> <div data-bbox="1365 583 1398 619"><input type="checkbox"/></div> <div data-bbox="1365 730 1398 766"><input type="checkbox"/></div>

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<p>NOTE: Due to the relationship between the unit of measure code and the HS Classification number, an error in HS Classification may cause an error with the unit of measure. For this reason, we are not reporting unit of measure errors as 'errors' for Statistics Canada purposes. This is being presented to the client for informational purposes only.</p> <p>For a list of valid unit of measure codes, refer to Memorandum D17-1-10: Appendix H and to the <i>Customs Tariff</i> Administrative Guidelines.</p> <p>8. Value for Duty Code</p> <p>The Value for Duty Code (VFD) is a two digit numeric code that indicates the basis on which the value for duty was determined. For Statistics Canada purposes, the VFD Code is an indicator of special transactions, and identifies the relationships between the importer and the vendor.</p> <p>This data element is verified as part of the Valuation review and the "determined" VFD Code must be entered on the Valuation Sheet of the CM Workbook.</p> <p>Refer to D17-1-10: Appendix B for the appropriate codes and for additional details.</p> <p>9. Value for Duty</p> <p>The Value for Duty (VFD) of all goods imported into Canada must be calculated and declared in accordance with the provisions of Sections 46 to 55 of the <i>Customs Act</i>.</p> <p>VFD is required to be shown on all types of B3 entries and is calculated by multiplying the Value of Currency Conversion by the appropriate exchange rate. One should ensure that the correct currency exchange rate is applied. It is also important to ensure that the value shown on supporting documentation is the same value that was entered in CCS.</p> <p>The officer should consider the following steps:</p>		

<p>Divide the value for duty by the unit price and crosscheck to the quantity; or conversely, the quantity may be multiplied by the unit price to obtain the correct value for duty.</p> <p>If there is a discrepancy between the quantities, check with the company representative to determine if this is a quantity or a value error;</p> <p>This element is verified as part of the valuation review and the “determined” VFD must be entered on the Valuation Sheet of the CM Workbook. The VFD on the Statistics Canada Sheet is rounded to the nearest dollar figure and therefore, may differ from the VFD on the Valuation Sheet of the CM Workbook.</p>		
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STATISTICS CANADA VERIFICATION PROCEDURES	DONE BY	REF.
<p>10. Entry Type</p> <p>This data element is not verified; however, it is an important element for Statistics Canada and therefore must be reported as claimed on the B3 or B2-adjustment forms.</p> <p>Entry Type must be entered on the Input Sheet of the CM Workbook.</p> <p>11. Office No.</p> <p>This data element is not verified; however, it is an important element for Statistics Canada and therefore must be reported as claimed on the B3 or B2-adjustment forms.</p> <p>Office number must be entered on the Input Sheet of the CM Workbook.</p>		

STATISTICS CANADA VERIFICATION PROCEDURES	DONE BY	REF.
<p>12. Record and Report Results</p> <p>Record results in the Compliance Management Workbook (multi-program verifications only). The CM Workbook calculates the percentage of errors, which will be included in the Final Report to the client.</p> <p>Print the Statistics Canada roll-up sheet from the CM Workbook and include as an attachment with the Final Verification Report to the client.</p>		