



Ottawa, February 13, 2009

MEMORANDUM D4-1-5

In Brief

STORAGE OF GOODS

1. This “In Brief” page has been revised to denote changes made as a result of the Government of Canada’s Paperwork Burden Reduction Initiative. This page replaces the “In Brief” page of Memorandum D1-4-5 dated September 3, 2008.
2. In accordance with the above, the following change was made:
Paragraph 4, Sealing Requirements for trucks parked in CBSA detention yards (Memorandum D4-1-5, dated May 14, 1999) was deleted.





Ottawa, September 3, 2008

MEMORANDUM D4-1-5

STORAGE OF GOODS

This memorandum outlines the procedures to be followed by the Canada Border Services Agency (CBSA) in storing goods pending clearance or disposal.

Storage of Goods Regulations

SOR/86-991

Customs Act

Storage of Goods Regulations

Regulations Respecting the Storage of Goods

Short title

1. These Regulations may be cited as the *Storage of Goods Regulations*.

Interpretation

2. In these Regulations,

“Act” means the *Customs Act*; (*Loi*)

“business day” means any day on which the customs office is open and accepts delivery or removal of commercial goods; (*jour ouvrable*)

“commercial goods” means goods for sale for any commercial, industrial, occupational, institutional or other similar use that are imported into Canada or exported from Canada; (*marchandises commerciales*)

“firearm” has the same meaning as in section 2 of the *Criminal Code*; (*arme à feu*)

“place of safe-keeping” means a place designated by the Minister of National Revenue pursuant to section 37 of the Act for the safekeeping of goods; (*lieu du dépôt*)

“prohibited ammunition” has the same meaning as in subsection 84(1) of the *Criminal Code*; (*munitions prohibées*)

“prohibited device” has the same meaning as in subsection 84(1) of the *Criminal Code*; (*dispositif prohibé*)

“prohibited weapon” has the same meaning as in subsection 84(1) of the *Criminal Code*; (*arme prohibée*)

“restricted weapon” has the same meaning as in subsection 84(1) of the *Criminal Code*; (*arme à autorisation restreinte*)

“strike” has the same meaning as in the *Public Service Staff Relations Act*. (*grève*)

SOR/88-483, s. 1; SOR/2005-215, ss. 1, 4(E).

2.1 [Repealed, SOR/2005-215, s. 2]

Time Limit for Removal of Goods Left at a Customs Office

3. (1) Subject to subsections (2) to (5), if goods in a customs office have not been removed from the customs office within 40 days after the day on which the goods were reported under section 12 of the Act, the goods may, at the end of that limitation period, be deposited in a place of safe-keeping as provided for in subsection 37(1) of the Act.

(2) Where perishable goods in a customs office have not been removed therefrom within four days after the day on which they are reported under section 12 of the Act, the goods may be deposited in a place of safe-keeping as provided in subsection 37(1) of the Act.

(3) Where goods in a customs office are prescribed substances within the meaning of the *Atomic Energy Control Act* or prescribed items within the meaning of the *Atomic Energy Control Regulations* and the goods have not been removed from the customs office within 14 days after the day on which the goods are reported under section 12 of the Act, the goods may be deposited in a place of safe-keeping as provided in subsection 37(1) of the Act.

(4) For the purposes of subsection 39.1(1) of the Act, firearms, prohibited ammunition, prohibited devices, prohibited or restricted weapons and tobacco products are goods of a prescribed class that are forfeit if they are not removed from a customs office within 14 days after the day on which they were reported under section 12 of the Act.

(5) For the purposes of subsection 39.1(1) of the Act, spirits are goods of a prescribed class that are forfeit if they are not removed from a customs office within 21 days after the day on which they were reported under section 12 of the Act.

SOR/95-519, s. 2; SOR/2005-215, ss. 3, 4(E).

Storage Charges for Commercial Goods Left at a Customs Office

4. (1) Subject to subsection (2), commercial goods left at a customs office in accordance with paragraph 19(1)(e) of the Act are subject to the storage charges set out in the schedule, beginning on the fourth business day after the day on which the commercial goods were left at the customs office.

(2) No storage charges are payable pursuant to subsection (1) on

- (a) commercial goods that are imported by mail; or
- (b) commercial goods that cannot be removed from the customs office by the owner or importer thereof by reason of
 - (i) a strike,
 - (ii) a court proceeding,
 - (iii) an unauthorized act of an officer or the omission by an officer to perform a duty imposed on him by the Act,
 - (iv) a mistake of a third party, or
 - (v) a natural disaster.

SOR/88-483, s. 2; SOR/92-404, s. 1(E).

*Time Limit for Removal of Goods
From a Place of Safe-keeping*

5. (1) For the purposes of subsection 39(1) of the Act and subject to subsections (2) and (3), goods that have not been removed from a place of safe-keeping within 30 days after they were deposited therein are, at the termination of that period of time, forfeit.

(2) For the purposes of subsection 39(1) of the Act, perishable goods that have not been removed from a place of safe-keeping within 24 hours after they were deposited therein are, at the termination of that period of time, forfeit.

(3) For the purposes of subsection 39(1) of the Act, goods that are prescribed substances within the meaning of the *Atomic Energy Control Act* or prescribed items within the meaning of the *Atomic Energy Control Regulations* and that have not been removed from a place of safe-keeping within 24 hours after they were deposited therein are, at the termination of that period of time, forfeit.

SOR/2005-215, s. 4(E).

*Storage Charges for Goods Deposited
in a Place of Safekeeping*

6. (1) Subject to subsection (2), the storage charges set out in the schedule shall be paid for goods deposited in a place of safe-keeping operated by Her Majesty in right of Canada.

(2) No storage charges are payable on goods deposited in a place of safe-keeping operated by Her Majesty in right of Canada if

- (a) the goods are delivered to the place of safe-keeping in error and are removed therefrom by the owner or importer thereof forthwith after notification of the error; or

(b) the goods cannot be removed from the place of safe-keeping by the owner or importer thereof by reason of

- (i) a strike,
- (ii) a court proceeding,
- (iii) an unauthorized act of an officer or the omission by an officer to perform a duty imposed on him by the Act,
- (iv) a mistake of a third party, or
- (v) a natural disaster.

SOR/88-483, s. 3(F); SOR/2005-215, s. 4(E).

SCHEDULE
(sections 4 and 6)

Column I	Column II
Item Description of Goods	Storage Charges
1. Any automobile, truck or other vehicle and any self-propelled machinery	\$10 per day or part thereof
2. Any shipment of goods other than goods described in item 1	\$0.45 per 50 kg or part thereof per day or part thereof, with a minimum charge of \$5 per day

**GUIDELINES AND
GENERAL INFORMATION**

GENERAL

1. The following locations have been designated as CBSA offices pursuant to section 5 of the *Customs Act*:

- (a) any location where CBSA maintains a business office;
- (b) a CBSA detention yard; and
- (c) a highway frontier examining warehouse.

PLACE OF SAFEKEEPING

2. The following locations may be designated as a place of safekeeping pursuant to section 37 of the *Customs Act*:

- (a) CBSA offices, highway frontier examining warehouses, Queen'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.

TYPES OF WAREHOUSES

Highway Frontier Examining Warehouse

3. A highway frontier examining warehouse is one where goods, which are not moving inland by a bonded carrier to a sufferance warehouse, are held before they are released by the CBSA. These warehouses have been established at most points of importation adjacent to the Canada-United States international boundary and are operated by the CBSA. Goods which have been placed in a highway frontier examining warehouse must not be removed by the carrier until authorized to do so by CBSA.

4. Truck drivers may park vehicles overnight in CBSA detention yards if space permits.

Queen's Warehouse

5. A Queen's warehouse is one that is used to store seized, forfeited, detained, abandoned, and unclaimed goods before they are released or disposed of by the CBSA pursuant to the Act. These warehouses are operated by the CBSA.

Sufferance Warehouse

6. Sufferance warehouses are privately owned and operated facilities licensed by the CBSA for the control, short-term storage, and examination of in-bond goods until they are released by the CBSA or exported from Canada. More information concerning sufferance warehouses can be found in Memorandum D4-1-4, *Customs Sufferance Warehouses*.

Bonded Warehouse

7. Customs bonded warehouses, part of the Duty Deferral Program, are used for the long-term storage of imported goods. Specific time limits can be found in Memorandum D7-4-4, *Customs Bonded Warehouses Regulations*, in the schedule to section 19 of the Regulations. Duties and taxes only become payable when the goods are entered into the domestic market. There are two types of customs bonded warehouses:

- (a) private warehouses – operated by individuals or companies for the storage of their own imported goods; and
- (b) public warehouses – operated by entrepreneurs for the storage of goods imported by various importers.

8. Further information concerning bonded warehouses can be found in Memoranda D7-4-4 and *Customs Bonded Warehouses Regulations*.

SECURITY OF HELD GOODS

9. CBSA officials must exercise care in the handling of goods and vehicles stored in CBSA offices, highway frontier examining warehouses, Queen's warehouses, and CBSA detention yards.

10. The delegated CBSA officer at the location where the goods are stored is responsible for ensuring that the appropriate measures are taken to safeguard them against damage or loss. An inventory control log should be maintained so that an accurate record of held goods is available. Appendix B contains further information on the inventory control log. Goods that have been seized, forfeited, detained, abandoned, or unclaimed under the Act should only be stored in secure areas, separate from other goods. The delegated CBSA officer must ensure that the secure area is strictly controlled. These controls should include the number and placement of keys and access to the held goods and their records.

11. The *Crown Liability Act* and the *Claims Regulations* provide for the payment of damage claims resulting from negligence, a wrongful act, or a breach of duty on the part of employees of the Crown. The regional accounting unit should be contacted regarding procedures for handling damage or loss claims.

12. Goods that are not moved to a Queen's warehouse should be checked regularly to ensure they remain on hand and are disposed of as soon as possible after the applicable retention period for those types of goods.

STORAGE OF FIREARMS AND OTHER WEAPONS

13. Pursuant to section 4(2) of the *Public Agents Firearms Regulations*, customs must store firearms in a container, receptacle, vault, safe, or room that is kept securely locked and that is constructed so that it cannot readily be broken open or into.

14. Further information concerning firearms and other weapons can be found in Memorandum D19-13-2, *Importing and Exporting Firearms, Weapons, and Devices Customs Tariff, Criminal Code, Firearms Act, and Export and Import Permits Act*.

STORAGE CHARGES

CBSA Office and Highway Frontier Examining Warehouse

15. Commercial goods held in a CBSA office or a highway frontier examining warehouse are subject to the storage charges set out in the Schedule to the *Storage of Goods Regulations*, beginning on the fourth business day after the day the goods were left. The only exception is goods that fall under the circumstances outlined in subsection 4(2) of the Regulations.

16. Goods will not be released until the storage charges are paid, unless the importer or broker has release prior to payment privileges. Form K21, *Cash Receipt*, will be issued as a receipt of payment for storage charges. Where the goods have been listed on Form E44, *Customs Notice – Unclaimed Goods*, the applicable number from that form should be shown on Form K21.

Queen's Warehouse

17. Commercial goods stored in a Queen's warehouse are subject to the storage charges set out in the Schedule to the *Storage of Goods Regulations*, beginning on the day they are moved there. The only exception is goods that fall under the circumstances outlined in subsection 6(2) of the *Storage of Goods Regulations*. Storage charges will apply up to the time the goods are removed from the warehouse.

18. Form K21, indicating the weight of the shipment, the storage period, the amount of storage charges, and the applicable number from Form E44 will be issued as a receipt of payment for storage charges. Where required, the goods will be referred for examination in the usual manner.

Form E44, Customs Notice – Unclaimed Goods

19. If goods are stored beyond the time limits specified and no extension has been granted under subsection 37(2) of the Act, the CBSA will issue Form E44. The main purpose of Form E44 is to notify the importer and carrier that goods have been left unclaimed in a CBSA office, highway frontier examining warehouse, sufferance warehouse, or bonded warehouse, and that the goods must be claimed within 30 days of the date Form E44 is issued or they will become forfeit to the Crown. Once the goods become forfeit to the Crown, they are subject to disposal and can no longer be claimed by the importer or owner. A sample of Form E44 can be found in Appendix A.

20. When an importer signs a certificate of abandonment for warehoused goods on Form K24, *Non-Monetary General Receipt*, the goods should be listed on Form E44 unless they are scheduled for immediate disposal. In the latter case, there is no need to complete Form E44 as control exists with Form K24. Abandoned goods do not need to be kept for 30 days, as the goods become the property of the Crown when the abandonment certificate is signed.

21. Goods listed on Form E44 can either remain in the warehouse where they are initially stored or be transferred to a Queen's warehouse or other location designated by the delegated CBSA officer.

22. Form E44 may also be used as a control document for other goods scheduled for disposal, for example, abandoned, seized, or forfeited goods.

23. Goods seized under the authority of the *Customs Act* or the *Excise Act* should only be listed on Form E44 after all legislated time frames for appeals and third-party claims have expired, or when a CBSA adjudicator advises that the goods are ready for disposal.

24. A copy of Form E44 will not be sent to the importer or carrier when it covers seized or abandoned goods, or travellers' goods held temporarily by the CBSA.

Time Limits for Issuing Form E44

25. The time limits for issuing Form E44 vary depending on where the goods are stored. In addition, the importer or broker can apply to the CBSA to have the goods held for an extended period of time. For further information on obtaining an extension, refer to Memorandum D4-1-7, *Extension of Time Limits for the Storage of Goods*.

26. For a CBSA office, highway frontier examining warehouse, or sufferance warehouse, Form E44 will be issued if the goods are on hand beyond 40 days from the date the goods were first reported under section 12 of the Act.

27. For a bonded warehouse, Form E44 will be issued if the goods are on hand beyond the time limit set out in the *Bonded Warehouses Regulations* for those particular goods. For further information, refer to Memoranda D7-4-4 and D4-1-7.

28. The CBSA will issue Form E44 within five business days of the date that the warehouse operators supply a list of goods left unclaimed in their warehouses. The list of unclaimed goods must contain the following: importer's name and address, quantity and description of goods, date of arrival of the goods in Canada, and cargo control number.

29. Goods that have been granted an extension will only be listed on Form E44 after the extension period have expired.

Processing by the CBSA

30. Form E44 will be numbered consecutively from the beginning of each fiscal year by the issuing office.

31. Form E44 should be cross-referenced with any previous documentation for the goods in order to maintain an audit trail. As well, goods listed on Form E44 should be marked with the corresponding E44 number, as well as the total number of pieces in the shipment. If the goods cannot be marked, a tag may be used.

32. Once completed, Form E44 should be listed on Form E45, *Inventory Control Log for Seized, Forfeited, Detained, Abandoned, and Unclaimed Goods*. A sample of Form E45 can be found in Appendix B. The information contained in the log will serve to maintain an audit trail from the date of receipt to the release/disposal date. The information can also be used to track unclaimed list numbers and expiry dates for disposal action, and to initiate follow-up action should Form E44 be lost.

33. Where Form E44 covers unclaimed goods, it will be distributed as follows:

- (a) original – sent to the importer;
- (b) first copy – sent for data processing, where applicable;

(c) second and third copies – held for use in the event goods are transferred to a concentration point for disposal;

(d) fourth copy – filed at the CBSA office; and

(e) fifth copy – sent to the carrier.

Note: No further notification will be given to either the importer or the carrier prior to disposal of the goods.

TRANSFER OF GOODS

34. When goods are transferred from the warehouse of initial storage, a list of goods will be prepared in duplicate by the CBSA. The warehouse operator will check off each item and initial both copies of the list. The original will be retained by the CBSA and the duplicate will be given to the warehouse keeper as a receipt.

35. When goods are transferred to an auctioneer, the list will be prepared in triplicate and one copy given to the auctioneer. In these instances, the importer's name or address should not appear on the list. As an alternative, goods can be identified by the unclaimed list number.

36. When goods are transferred to a Queen's warehouse, they will be examined by the CBSA in the presence of the carrier so that an amount can be established for any damage or loss resulting during the transfer of goods.

PROCEDURES FOR CLAIMING GOODS PRIOR TO FORFEITURE

37. Goods must be claimed within 30 days of the date Form E44 is issued. Unclaimed goods on hand beyond 30 days become forfeit and subject to disposal, in accordance with section 142 of the *Customs Act*.

38. Goods must be claimed at the CBSA office where they are being held.

39. CBSA will require the following from the importer or owner before releasing the goods:

(a) where the goods are to be exported:

(i) a cargo control document; and

(ii) any necessary permits; or

(b) where the goods are to be entered for consumption:

(i) a completed accounting document;

(ii) any necessary permits; and

(iii) payment of the applicable duty and tax; or

(c) where the goods are to be entered into a bonded warehouse:

(i) a Form B3, Canada Customs Coding Form;

(ii) any necessary permits; and

(iii) where necessary, a cargo control document.

Note: Goods that were left unclaimed in a bonded warehouse and listed on Form E44 cannot be re-entered into a bonded warehouse, but must be exported or entered for consumption.

40. CBSA will require the following before releasing goods listed on Form E44 from a Queen's warehouse:

(a) payment of the applicable storage charges;

(b) payment of any expenses incurred by the CBSA in the handling of the goods, for example, transportation charges; and

(c) written confirmation from the sufferance or bonded warehouse operator that storage charges were paid.

41. When only a portion of the shipment is being claimed, the import or export documentation or an attachment must indicate the number of pieces being claimed, as well as the total number in the original shipment, for example, entry No. ___/16 of 20.

ADDITIONAL INFORMATION

42. The date of abandonment or the date of forfeiture, in the case of unclaimed goods, is the date the Crown becomes responsible for all costs accruing against the goods.

Although sections 36 and 39 of the Act make the owner or importer liable for reasonable disposal expenses where the goods are not sold, the CBSA may be required to pay such expenses pending the finalization of any collection action against the owner or importer.

43. Information concerning prescribed items and substances within the meaning of the *Atomic Energy Control Regulations* can be found in Memorandum D19-2-1, *Atomic Energy Control Act and Regulations*.

APPENDIX A

FORM E 44, CUSTOMS NOTICE — UNCLAIMED GOODS

Canada Border
Services AgencyAgence des services
frontaliers du CanadaNOTICE — UNCLAIMED GOODS
AVIS — MARCHANDISES NON RÉCLAMÉES

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Unclaimed Goods List No. - N° de liste de marchandises non réclamées	
CBSA Office - Bureau de l'ASFC	
Date	Telephone No - N° de téléphone

You are hereby notified that if the goods described below are not formally released and accounted for or exported within 30 days from the date of this notice, they will be forfeited to the Crown under authority of the *Customs Act* without further notice.

Ceci est pour vous aviser que les marchandises mentionnées ci-dessous doivent être dédouanées et déclarées en détail ou exportées dans les 30 jours suivant la date de cet avis. Sinon, ces marchandises seront confisquées par la Couronne sans autre avis conformément à la *Loi sur les douanes*.

Note: Sections 36(2) and 39(2) of the *Customs Act* place responsibility on the importer/owner for all reasonable expenses incurred by the Canada Border Services Agency in the disposal of goods where they are disposed of other than by sale.

Nota : Les articles 36(2) et 39(2) de la *Loi sur les douanes* rendent redevables l'importateur ou le propriétaire de tous frais raisonnables entraînés par l'Agence des services frontaliers du Canada lorsqu'il dispose des marchandises autrement que par la vente.

Date of Arrival Date d'arrivée	Original Document Document original	Quantity Quantité	Value Valeur	Description
Goods Located at - Les marchandises se trouvent à :		Goods Transferred to - Marchandises transférées à :		
Telephone No. - N° de téléphone :	Officer's Signature - Signature de l'agent	Date	Signature	

FOR CBSA USE ONLY - RÉSERVÉ À L'USAGE DE L'ASFC

STORAGE CHARGES - FRAIS D'ENTREPOSAGE			
Date	Daily Charge Coût quotidien	×	Days Jours
Weight - Poids			GST/HST TPS/TVA
K21			Cartage Transport
			TOTAL
Cancellation - Annulation			
We hereby certify that the above-mentioned goods have been destroyed by means of Nous certifions par la présente que les marchandises susmentionnées ont été détruites en les			CBSA Office Date Stamp Timbre dateur du bureau de l'ASFC
<p>▶ _____ in our presence this _____ day of _____ , _____ en notre présence le _____ jour de _____ , _____</p>			
We hereby certify that the above-mentioned goods have been donated to the undersigned. Nous certifions par la présente que les marchandises susmentionnées ont été données au soussigné.			
I, the undersigned representative of _____ Je, soussigné, représentant de _____			
I acknowledge receipt of the above-mentioned goods this _____ day of _____ , _____ et déclare que ces marchandises ne seront pas vendues par ledit organisme.			
Signature _____			
Officer's Signature - Signature de l'agent		Officer's Signature - Signature de l'agent	
Officer's Title - Titre de l'agent		Officer's Title - Titre de l'agent	

E44 (07)

BSF242

APPENDIX B

**FORM E45, INVENTORY CONTROL LOG FOR SEIZED, FORFEITED,
DETAINED, ABANDONED, AND UNCLAIMED GOODS**



Canada Border Services Agency
Agence des services frontaliers du Canada

INVENTORY CONTROL LOG FOR SEIZED, FORFEITED, DETAINED, ABANDONED AND UNCLAIMED GOODS
REGISTRE DE CONTRÔLE DES STOCKS DE MARCHANDISES SAISIES, CONFISQUÉES, RETENUES, ABANDONNÉES ET NON RÉCLAMÉES

Date (period of coverage) from: _____ to: _____
Date (période couvrant) du : _____ au : _____

Location: (full address) _____
Endroit: (adresse complète) _____

Item No. N° de l'article	Receipt date Date de réception	Original document Document original	Quantity Quantité	Unit of issue Unité de dist.	Description	Owner Propriétaire	E44			Goods received from (location) Endroit d'où les marchandises ont été reçues	Status of goods Statut des marchandises	Release/disposal date Date de mainlevée/aliénation	CBSA employee name Nom de l'employé de l'ASFC
							Number Numéro	Date	Expiry date Date d'échéance				

REFERENCES

<p>ISSUING OFFICE –</p> <p>Commercial Border Policy Division Border and Compliance Programs Directorate Canada Border Services Agency</p>	<p>HEADQUARTERS FILE –</p>
<p>LEGISLATIVE REFERENCES –</p> <p><i>Customs Act</i>, sections 5, 12, 19, 36, 37, 38, 39, and 142</p>	<p>OTHER REFERENCES –</p> <p>D4-1-2, D4-1-4, D4-1-6, D4-1-7, D7-4-1, D7-4-4 D19-2-1, D19-13-2</p>
<p>SUPERSEDED MEMORANDA “D” –</p> <p>D4-1-5 dated May 14, 1999</p>	

Services provided by the Canada Border Services Agency are available in both official languages.

