



Procedure for Obtaining Importer Direct Security

The Importer must obtain a *Release Prior to Payment of Duties and Taxes Owing* bond from a Canadian bank or an approved insurance company. Most multinational insurance brokers can assist with providing bonds.

- The amount of security to be posted for Canadian Resident Importers is based on their average monthly duties & taxes owing, **less the GST**, calculated over a 12 month period
- The amount of security to be posted for Non-Resident Importers is based in their average monthly duties & taxes owing, **including the GST**, calculated over a 12 month period

The bond will be sent by the insurance company to the Importer for signatures. The bond must be signed by two duly authorized officers of the Importer, with names and titles, if applicable to your business, and impress the customs bond with the corporate seal. Once signed, the original bond must be sent to DSV Air & Sea Inc., along with the Direct Security letter found on page 3.

The Importer must complete the Direct Security Letter on their letterhead

- A duly authorized officer of the Importer must sign the letter
- If the Importer has previously registered for Importer Direct Security and has a valid account security number, please enter this number on the letter under A/S number. If the Importer does not have an account security number, this can be left blank

Scan a copy of the completed letter and the bond to compliancecanada@ca.dsv.com for an initial review. You will be advised if any corrections are required.

If no corrections are required, once advised, courier the original bond and Direct Security letter to:

DSV Air & Sea Inc.
70 Driver Road, Unit 4
Brampton, ON
L6T 5V2
Attn: Imola Elekes
Tel: 905-494-5557

DSV Air & Sea Inc. will review the documents and forward to the Canada Border Services Agency for approval. This approval is generally expected within 4 – 6 weeks. Upon approval, the Canada Border Services Agency will notify the Importer via fax, and an account security number and approval date is provided to the Importer. This is your confirmation that you are now registered in the Importer Direct Security program.

Once the final approval is received by the Canada Border Services Agency, DSV Air & Sea Inc. will contact the Importer to confirm a start date.

Payment Period Cycle

The payment cycle runs from the 25th of the previous month to the 24th of the current month. On the 25th of each month (or the next business day), DSV Air & Sea Inc. will email or fax a report to the Importer that lists all transactions that were accounted for in the previous payment period. This report will summarize the duties, GST and any other taxes for each shipment. The payment is due to CBSA by 4:30 pm local time on the last business day of the month.

Payment Options

CBSA now accepts the following methods for monthly remittance of duties and taxes:

- Online banking through a participating financial institution (subject to transaction Limits)
- EDI 820 Payment Transfers (Requires Testing and configuration with your financial institution)
- In person at your local CBSA office that is ARL enabled

DSV can also accept wire payments from importers who cannot take advantage of above options, which we will then remit to CBSA on behalf of the importer.

DIRECT SECURITY LETTER

DATE

NAME OF IMPORTER has posted security for the release of goods prior to the payment of duties and taxes, and has been given the account security number **A/S NUMBER**.

The business number of **NAME OF IMPORTER** is **xxxxxxxxxx**.

DSV Air & Sea Inc. will release and account for imports by **NAME OF IMPORTER** under the broker's account security number 12021.

DSV Air & Sea Inc. and **NAME OF IMPORTER** agree that:

NAME OF IMPORTER will provide payment for the full amount of duties and taxes owing on imported goods;

NAME OF IMPORTER agrees to pay the Canada Border Services Agency (CBSA) directly by the last business day of the month, or to provide DSV Air & Sea Inc. with a wire transfer. The wire payment is to be in the account of DSV Air & Sea Inc. by the second last business day of the month, for remittance to CBSA, by the last business day of the month.

NAME OF IMPORTER accepts responsibility and liability for the payment of penalties and interest applied by the CBSA resulting from any late payment of duties and taxes. Failure to provide payment to the CBSA by the due date will result in the application of penalties and interest to **NAME OF IMPORTER** on any amounts owing. Importers who are late paying 3 times in a one-year period may be removed from this option. **NAME OF IMPORTER** may benefit once again from the option program after one year from the date of suspension.

NAME OF IMPORTER is reminded that although they may choose to use the services of a licensed customs broker to transact business with the CBSA on their behalf, the Importer is ultimately responsible for the accounting documentation, payment of all duties and taxes, and subsequent corrections;

NAME OF IMPORTER authorizes DSV Air & Sea Inc. to communicate with the Canada Revenue Agency (CRA) regarding collections activity related to amounts owing on imported goods released under this agreement, and to release information on these transactions to the CRA;

NAME OF IMPORTER authorizes the disclosure of information pertaining to their Account Security Profile by officers of the Commercial Licensing and Security Unit, CBSA, to DSV Air & Sea Inc.

All queries regarding this letter and the payment of duties and taxes on imported goods by **NAME OF IMPORTER** should be directed to:

Contact name
Title
Address
Telephone
Fax number

Signed (Importer)

Signed (Broker)