

**SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**SAULT STE. MARIE, ONTARIO**



**COURSE OUTLINE**

**COURSE TITLE:** CUSTOMS BROKERING

**CODE NO. :** CJS4170                      **SEMESTER:** 4

**PROGRAM:** LAW AND SECURITY ADMINISTRATION

**AUTHOR:** FRANK CAPUTO

**DATE:** JAN/03              **PREVIOUS OUTLINE DATED:** JAN/00

**APPROVED:**

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DEAN

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DATE

**TOTAL CREDITS:** 3

**PREREQUISITE(S):**

**LENGTH OF COURSE:** 15 WEEKS              **TOTAL CREDIT HOURS:** 45  
3 HOURS/WK

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*School of Health and Human Services*  
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## I. COURSE DESCRIPTION:

This course will give the student an overview of the Customs Commercial operation and procedures. It will provide a basic introduction to the legislative and departmental framework. The student will develop an understanding of the import process, release process, accounting procedures, and a working knowledge of tariffs treatments, classification, and valuation of imported goods. Students will be able to prepare all relevant documentation needed to facilitate movement of goods across an international border.

## II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

### **MODULE ONE**---ORIENTATION

- 1.0 Introduction, and historical background.
- 1.1 Departmental mission and structure.
- 1.2 International context.
  - 1.2.1 World trade organization
  - 1.2.2 World Customs organization
  - 1.2.3 C.I.T.E.S.
  - 1.2.4 N.A.F.T.A.
- 1.3 Domestic Legislation
  - 1.3.1 Customs Act
  - 1.3.2 Custom Tariff
  - 1.3.3 Excise Act
  - 1.3.4 Excise Tax Act
  - 1.3.5 Special Import Measures Act
  - 1.3.6 Legislation of other Government Departments

### **MODULE TWO**---TARIFF TREATMENTS

- 2.0 In this module the student will examine the various tariff treatments under which goods enter Canada.
- 2.1 Most favoured nation.
- 2.2 British preferential tariff
- 2.3 General preferential tariff
- 2.4 Commonwealth Caribbean Countries tariff treatments
- 2.5 Australia New Zealand Special tariff treatments
- 2.6 Least developed developing Countries tariff treatment
- 2.7 N.A.F.T.A. preferential tariff treatment
  - 2.7.1 Origin criteria
  - 2.7.2 determination of the applicable N.A.F.T.A. tariff
  - 2.7.3 Proof of origin

### **MODULE THREE**---CLASSIFICATION OF GOODS

- 3.0 In this module the student will be able to identify and explain the main components in classifying imported goods.
- 3.1 Structure of the Custom Tariff
- 3.2 Schedule one of the Custom Tariff
- 3.3 Structure of a classification number
- 3.4 Use of legal notes
- 3.5 Alphabetical classification of goods
- 3.6 Explanatory notes
- 3.7 General interpretative rules
- 3.8 Tariff simplification

### **MODULE FOUR**---METHOD OF VALUATION

- 4.0 In this module the student will be able to understand the Customs valuation system which is the process of determining the value of importations to which the rates of duty specified in the Customs Tariff are applied.
- 4.1 Transactional value method
  - 4.1.2 Basic requirements
  - 4.1.3 Limitations
  - 4.1.4 Elements of the price paid or payable
  - 4.1.5 Adjustments to the price paid or payable
- 4.2 Transactional value of identical goods
- 4.3 Transactional value of similar goods
- 4.4 Deductive value method
- 4.5 Computed value method and residual method

### **MODULE FIVE**---G.S.T. / EXCISE DUTY / EXCISE TAX

- 5.0 In this module the student will be able to explain the application of G.S.T., Excise duty, and Excise tax on various imported goods.
- 5.1 Goods and Service Tax
  - 5.1.2 Taxable goods
  - 5.1.3 Exempt goods
  - 5.1.4 Collection of GST domestically
  - 5.1.5 GST status codes
- 5.2 Excise Tax
  - 5.2.1 Legislative frame work
  - 5.2.2 Schedule one goods
- 5.3 Excise Duty
- 5.4 Summary of excisable goods
- 5.5 Excise tax exemption codes
- 5.6 Application of harmonized sales tax

**MODULE SIX**---RELEASE IMPORT PROCESS / INVOICE REQUIREMENTS

- 6.0 In this module the student will be able to understand the release procedure involving all transportation modes by which goods enter Canada.
- 6.1 Arrival of goods
  - 6.1.2 Highway
  - 6.1.3 Air
  - 6.1.4 Rail
  - 6.1.5 Marine
  - 6.1.6 Postal
- 6.2 Release procedures
  - 6.2.1 R.M.D procedures
  - 6.2.2 Low value shipment
  - 6.2.3 Line release
- 6.3 Security requirements
- 6.4 Delinquent confirmation of entries
- 6.5 Canada custom invoice
- 6.6 Commercial invoice
- 6.7 Invoice recap

**MODULE SEVEN**---ACCOUNTING PROCEDURES / CONSUMPTION PROCESS

- 7.0 In this module the student will examine the and discuss the final accounting requirements and payment procedures. The student will also examine the automated systems used by Customs to process documentation.
- 7.1 Documentation requirements
- 7.2 Completion of the B3 Canada Custom Coding Form
- 7.3 Canada Customs Automated Systems
  - 7.3.1 A.C.R.O.S.S.
  - 7.3.2 C.A.D.E.X
  - 7.3.3 Entry acceptance system
  - 7.3.4 File locator system
  - 7.3.5 Entry adjustment system
- 7.4 Payment of duty and taxes
- 7.5 Power of attorney
- 7.6 Voluntary entry
- 7.7 Canadian goods returned entry
- 7.8 Warranty repair entry
- 7.9 Processing of goods abroad

**MODULE EIGHT---TEMPORARY IMPORTATIONS**

- 8.0 This module will give the student an understanding of which goods can enter Canada temporary with partial or full relief from payment of duty and taxes.
- 8.1 General terms of admissibility
- 8.2 Documentation requirements
- 8.3 Goods imported from N.A.F.T.A. countries
- 8.4 Temporary importation regulations
- 8.5 Display goods
- 8.6 Commercial samples
- 8.7 Use of A.T.A. carnets
- 8.8 Acquittal of temporary admission form
- 8.9 Impact of tariff simplification system

**MODULE NINE---ADJUSTMENTS ( REFUNDS AND APPEALS ) DUTY RELIEF**

- 9.0 This module will discuss the post release review, the student will be able to identify any errors that would result in a refund of duty and taxes or an appeal.
- 9.1 Refunds procedures
  - 9.1.1 Goods qualifying for refunds
  - 9.1.2 Documentation requirements
  - 9.1.3 Amount of refunds
  - 9.1.4 Summary of refund procedures
- 9.2 Appeal procedures
  - 9.2.1 Appeal to designated officer
  - 9.2.2 Appeal to the Deputy Minister
  - 9.2.3 Summary of appeal procedures
- 9.3 Other transaction adjustments
- 9.4 Abatements

**MODULE TEN---ENFORCEMENT PROCEDURES**

- 10.0 In this module the student will able to determine under what authority Customs conducts examinations, and identify the types of infractions and relevant terms of release where non-compliance is detected.
- 10.1 Reach point of finality
- 10.2 Authority for examining goods
- 10.3 Reason for examining goods
- 10.4 Types of referrals
- 10.5 Examination types
- 10.6 Level of intensity of examination

- 10.7 Enforcement action
  - 10.7.1 Legal framework
  - 10.7.2 Non-report
  - 10.7.3 Undervaluation
  - 10.7.4 Misdescription
  - 10.7.5 Untrue statements
  - 10.7.6 Terms of release
- 10.8 Criminal prosecution
- 10.9 Seizure of contraband

**MODULE ELEVEN---IMPORT AND EXPORT CONTROLS**

- 11.0 In this module the student will develop an understanding of which goods Canada Customs will regulate for the safety and health considerations
- 11.1 Department of Agriculture
- 11.2 Department of Health
- 11.3 Department of Foreign Affairs
- 11.4 Department of the Environment
- 11.5 Department of Industry
- 11.6 Country of Origin Markings
- 11.7 Regulations of weapons
- 11.8 Import and Export controls of various other Government Departments
- 11.9 Export documentation

**MODULE TWELVE---DEPARTMENTAL INITIATIVES**

- 12.0 In this module the student will be able examine and discuss the various objectives the Department is trying to achieve for the future.
- 12.1 Customs 2000
- 12.2 New business relationship
- 12.3 Canada / United States Accord
- 12.4 Summary and conclusion

**III. TOPICS:**

- MODULE 1 ORIENTATION
- MODULE 2 TARIFF TREATMENTS
- MODULE 3 CLASSIFICATION OF GOODS
- MODULE 4 METHOD OF VALUATION
- MODULE 5 G.S.T. / EXCISE DUTY / EXCISE TAX
- MODULE 6 RELEASE IMPORT PROCESS / INVOICE REQUIREMENTS
- MODULE 7 ACCOUNTING PROCEDURES / CONSUMPTION PROCESS
- MODULE 8 TEMPORARY IMPORTATIONS
- MODULE 9 ADJUSTMENTS ( REFUNDS AND APPEALS ) DUTY RELIEF
- MODULE 10 ENFORCEMENT PROCEDURES
- MODULE 11 IMPORT AND EXPORT CONTROLS
- MODULE 12 DEPARTMENTAL INITIATIVES

**IV. REQUIRED RESOURCES/TEXTS/MATERIALS:**

- Hand outs provided
- Note books

**V. EVALUATION PROCESS/GRADING SYSTEM:**

In class quiz	4 x 10%	40%
Mid term		30%
Final		30%

**GRADING POLICY**

The following semester grades will be assigned to students in postsecondary courses:

<u>Grade</u>	<u>Definition</u>	<u>Grade Point Equivalent</u>
A+	90 - 100%	4.00
A	80 - 89%	3.75
B	70 - 79%	3.00
C	60 - 69%	2.00
R (Repeat)	59% or below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	
S	Satisfactory achievement in field placement or non-graded subject areas.	
U	Unsatisfactory achievement in field placement or non-graded subject areas.	
X	A temporary grade. This is used in limited situations with extenuating circumstances giving a student additional time to complete the requirements for a course (see <i>Policies &amp; Procedures Manual – Deferred Grades and Make-up</i> ).	
NR	Grade not reported to Registrar's office. This is used to facilitate transcript preparation when, for extenuating circumstances, it has been impossible for the faculty member to report grades.	

## VI. SPECIAL NOTES:

### Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with your instructor and/or the Special Needs office. Visit Room E1204 or call Extension 493, 717, or 491 so that support services can be arranged for you.

### Retention of course outlines:

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other postsecondary institutions.

### Plagiarism:

Students should refer to the definition of “academic dishonesty” in *Student Rights and Responsibilities*. Students who engage in “academic dishonesty” will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course/program, as may be decided by the professor/dean. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, it is the policy of the department to employ a documentation format for referencing source material.

### Course outline amendments:

The Professor reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Substitute course information is available in the Registrar's office.

Under exceptional circumstances (e.g. documented illness) rewrites may be permitted at the discretion of the instructor.

## VII. PRIOR LEARNING ASSESSMENT:

Students who wish to apply for advanced credit in the course should consult the instructor.

## VIII. DIRECT CREDIT TRANSFERS:

Students who wish to apply for direct credit transfer (advanced standing) should obtain a direct credit transfer form from the Dean's secretary. Students will be required to provide a transcript and course outline related to the course in question.