



Accounts Receivable Ledger (ARL) Bulletin # 33

Date of Issue: May 25, 2017	Bulletin Number: ARL-2017-33	Target Audience: Trade Chain Partners	Area of Interest: National
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Title:	Reporting of the Goods and Service Tax and Importer Direct Security Options Indicator on Form B3
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Issue:	Liability of debt for Goods and Services Tax (GST) Direct Payment Options and Importer Direct Security Option clients.
Resolution / Action Required:	<p>The purpose of the GST Direct Payment Option and the Importer Direct Security Option is to provide customs brokers a means to reduce the amount of account security they are required to post with the Canada Borders Services Agency (CBSA), by ensuring that importers participating in these options remit payment directly to the CBSA.</p> <p>Under the Importer Direct Security Option, customs brokers may arrange for their clients to obtain their own release prior to payment privilege (i.e., account security number) by posting security with the CBSA. This allows customs brokers to reduce their level of security by the importer’s average monthly duties and taxes, provided the importer completes a direct security letter, authorizing the disclosure of information pertaining to their Account Security Profile. In addition, importers agree to pay the full amount of duties and taxes directly to the CBSA by the payment due date.</p> <p>Customs brokers may also place <u>resident importers</u> on the GST Direct Payment Option, thus allowing for a reduction in security equivalent to the importer’s average monthly GST owing, provided that the importer completes the required GST letter. The importer must agree to provide payment directly to the CBSA for the full amount of GST for all transactions processed during a billing period by the payment due date. An importer cannot be on the Importer Direct Security Option and the GST Direct Payment Option at the same time.</p> <p>If the importer is not a GST Direct Payment Option or Importer Direct Security Option participant, the liability is secured by the customs broker’s bond. In this case, the customs broker is responsible for the payment of associated duties and taxes, including the GST, owing to the CBSA. Recovery of these amounts by a customs broker is a</p>



business to business matter between the customs broker and their client (importer) and should be handled directly with the importer.

Please ensure that all transactions entered on the B3 Canada Custom Coding Form are coded correctly upon submission. This will prevent the amount from appearing on the customs broker's Statement of Account and triggering the liability for the payment to the customs broker.

- If an importer is on the GST Direct Payment Option, field 6 on the B3 must indicate a "G".
- If an importer is on the Importer Direct Security Option, field 6 on the B3 must indicate an "I".

Failure to accurately report the "G" or "I" indicator on the Form B3 may result in the liability deferral not being applied, thereby resulting in the liability remaining with the customs broker.

For more information on the GST Direct Payment Option and the Importer Direct Security Options, please consult Departmental Memo D17-1-8, *Release Prior to Payment Privilege* at <http://www.cbsa-asfc.gc.ca/publications/dm-md/d17/d17-1-8-eng.html>.

Contact information:

For questions about the contents of ARL statements, contact the CARM mailbox at cbsa-asfc_carm.gcra@cbsa-asfc.gc.ca. For technical issues related to receiving electronic statements, contact the CBSA's Technical Commercial Client Unit (TCCU) by phone at 1-888-957-7224 or by email at tccu-ustcc@cbsa-asfc.gc.ca.