



# CW Warehouse Webinar

October 12, 2017

PROTECTION SERVICE INTEGRITY INTÉGRITÉ  
GRITÉ **PROTECTION** SERVICE INTEGRITY  
INTÉGRITÉ PROTECTION **SERVICE** INTEG  
RITY INTÉGRITÉ PROTECTION SERVICE  
**INTEGRITY** INTÉGRITÉ PROTECTION SER  
VICE INTEGRITY INTÉGRITÉ PROTECTION  
SERVICE INTEGRITY INTÉGRITÉ PROTEC  
TION SERVICE INTÉGRITÉ PRO  
TECTION SERVICE INTÉGRITÉ  
PROTECTION SERVICE INTÉGRITÉ  
GRITÉ PROTECTION SERVICE INTÉGRITÉ  
INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ  
RITY INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ  
INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ  
INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ  
**PROTECTION**  
**SERVICE** INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ  
INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ  
SERVICE INTÉGRITÉ INTÉGRITÉ INTÉGRITÉ





# Presentation Overview

- Timelines for eHBL
- What Electronic House Bills means for Warehouses
- Record Keeping
- CW Warehouse vs. Primary Warehouse
- Delivery Requirements – Exemptions from delivery to a Primary Sufferance Warehouse
- eManifest Notices
  - Overview
  - Importance and Benefits
  - Disposition Notices
  - Deconsolidation Notice
  - Deconsolidation Notice and the Border Process
  - Sufferance Warehouse Operators and the Deconsolidation Notice
  - Deconsolidation Notice Scenario
- Freight Destined to a Different Sub-Location
- Future Direction
- Applicable D-Memos, Customs Notices and ECCRDs



## Timeline for eHBL

On May 6, 2015, regulatory amendments supporting the eManifest initiative were published in the Canada Gazette Part II. The publication of these regulatory amendments made eManifest requirements for freight forwarders legally binding.

- A voluntary compliance period remains in effect for freight forwarders to electronically transmit advance house bill data on consolidated freight. During this period, penalties for non-compliance will not be issued.



## What Electronic House Bills means for Warehouses

- Warehouse Operators play a key role in the control and release of imported cargo.
- With the implementation of electronic house bills, the need for a cumbersome paper process will essentially be eliminated, benefiting warehouse operators, importers, carriers, freight forwarders, and the CBSA.
- The Warehouse Arrival Certification Message (WACM) became mandatory on May 6, 2015, under an amendment to the Customs Sufferance Warehouses Regulations.
- For more information on the WACM, review Customs Notice 15-028.



## What Electronic House Bills means for Warehouses

- This regulatory obligation requires all warehouse operators to:
  - Endorse the cargo control document, bill of lading, waybill or other similar document provided by the carrier; and
  - Transmit the arrival of these unreleased goods which are destined to their warehouse to the CBSA
- Warehouse operators must be registered participants in the CBSA's Release Notification System (RNS), using an Electronic Data Interchange (EDI) to transmit the WACM.
- Warehouse operators may use a third party service provider to transmit their arrival messages.



## Record Keeping

- Under section 3.1 of the [Imported Goods Records Regulations](#), licensees must maintain an open and a closed file for all imported goods delivered to and removed from their warehouse.
- The CBSA document used to report the goods into the warehouse or an electronic equivalent, must be kept on an open file until an acquittal is received from the CBSA authorizing the removal of the goods from the warehouse.
- The licensee must keep records of release, arrival and transfer documents or data in a closed file for possible future reference and audit.
- The licensee must keep all records for six years from the date that the goods were removed from the warehouse. The records must be stored at the sufferance warehouse facility. Licensees wishing to store their records at another location must get permission from the CBSA district manager. Records may be microfilmed provided the conditions in Memorandum [D17-1-21](#), *Maintenance of Records in Canada by Importers*, are met.
- The CBSA accepts computer-generated printouts for audit purposes if the shipment information can be found through the cargo control numbers. The printout must also include the names of the consignees and details on the quantity and weight of the shipments.



## CW Warehouse vs. Primary Warehouse

- **Primary Sufferance Warehouses** – Goods that are reported at First Point of Arrival (FPOA) and authorized to move in-bond, must be delivered to another CBSA office or to the applicable primary sufferance warehouse that is licensed to receive the goods (unless exempted by this requirement by the CBSA).
- The following are the types of primary warehouses:
  - (a) Highway cargo: BW sufferance warehouse
  - (b) Rail cargo: AR sufferance warehouse
  - (c) Air cargo: AA or AH sufferance warehouse
  - (d) Marine cargo: AM or AW sufferance warehouse
- Deconsolidation/Consolidation is **not** permitted at primary warehouses.



## CW Warehouse vs. Primary Warehouse

- **Type CW** sufferance warehouses are secondary warehouses that are operated by a third party (consolidator, de-consolidator, bonded freight forwarder or customs broker) for the short-term storage, consolidation, deconsolidation and sorting of imported shipments of general merchandise, according to their destination.
- All modes of transportation are permitted to deliver goods to a CW warehouse.
- If the CBSA is unable to provide service directly to these warehouses, operators are required to arrange for an existing sufferance warehouse to handle the goods requiring examination. These arrangements are subject to approval by the CBSA.
- Regional officials will determine where release documents will be processed in their region.





## Delivery Requirements – Exemptions from delivery to a Primary Sufferance Warehouse

- Paragraph 87 of Memorandum [D3-1-1](#) outlines the various exemptions to the direct delivery requirement.
- In addition, **consolidated shipments** consigned to a freight forwarder and reported by the carrier at the FPOA, may be authorized to move directly (without being re-manifested) to the freight forwarder (Type CW) sufferance warehouse sub-location warehouse code that is indicated on the cargo information provided by the primary carrier, under conditions outlined in [Customs Notice 17-06](#).



## eManifest Notices - Overview

eManifest is improving two-way communication between businesses and with the CBSA with the implementation of eManifest notices.

- In 2013, the CBSA implemented eManifest Completeness Notices (Matched/Not-Matched).
- The Deconsolidation Notice and the Document Not on File Notice (related to the House Bill Close Messages only) were made available to EDI clients in June 2016.
- The Completeness Notices, Arrival Notices, and the remainder of the Status Notices were made available to EDI clients in September 2016.
- A suite of new notices were made available to eManifest Portal clients in March 2017.



## eManifest Notices - Overview

- Legacy notices are based on individual documents submitted by clients; Release Notification System (RNS) messages are based on the status of the release only.
- eManifest Notices are based on the overall shipment status and notices are transmitted against individual documents within a shipment whenever the shipment status changes.
- Clients can choose to receive legacy notices, RNS messages and the new EDI eManifest notices concurrently, allowing clients to become familiar with the eManifest notices before the RNS messages are eliminated.
- EDI clients or their service providers are required to register and test with the Technical Commercial Client Unit (TCCU) to receive the new notices. Draft Chapter 11 (version 6) of the Electronic Commerce Client Requirements Document (ECCRD) for the new EDI notices is available on request to the TCCU.



## eManifest Notices - Overview

Notice	Carrier	Freight Forwarder	Importer / Broker*	Warehouse Operator
<b>Completeness Notices</b>				
• Matched	✓	✓	✓	
• Not Matched	✓	✓	✓	
• Cargo Complete	✓	✓		
• Document Package Complete	✓	✓		
<b>Disposition Notices</b>				
• <b>Arrival Notices</b>				
▪ Reported	✓	✓		✓
▪ Arrived	✓	✓		✓
• <b>Status Notices</b>				
▪ Deconsolidation	✓	✓		✓
▪ Document Not on File	✓	✓		
▪ Authorized to Deliver	✓		✓	✓
▪ Released	✓	✓	✓	✓
▪ Held for CBSA	✓	✓	✓	✓

\* At this time, only importers/brokers using a CBSA-issued Account Security identifier are able to receive the new notices.

## eManifest Notices - Importance and Benefits

- eManifest notices offer benefits to businesses such as:
  - being notified on the completeness of advance data
  - being notified on the arrival and status of shipments
  - improved communication between businesses and with the CBSA
- The primary benefit of notices to warehouse operators is the Deconsolidation Notice and the ability to release consolidated shipments to freight forwarders without having to receive paper.
- By registering to receive eManifest notices now, you can take advantage of additional benefits such as:
  - more time to test system capability and adjust to new processes for EDI clients and service providers.
  - first-hand experience of a more robust eManifest commercial process such as the transfer of liability and control of consolidated goods moving to an inland warehouse.





## eManifest Notices - Importance and Benefits

- Deconsolidation Notice provides information for warehouse operators and terminal operators sent from the CBSA to inform clients that the CBSA has authorized the transfer of cargo control from a consolidated shipment to the related individual house bills that were submitted by a freight forwarder.
- The CBSA strongly encourages all parties to register to receive the deconsolidation notice as this will enable a smoother transition to the electronic transmission of house bills for freight forwarders as well as reduce the paper burden on all parties involved in the transportation and cargo control process.



Trigger	RNS Messages	eManifest Notices
Cargo reported	No existing message	Reported - Carrier, Freight Forwarder and Warehouse Operator (if destined inland)
Cargo arrived	No existing message	Arrived - Carrier, Freight Forwarder and Warehouse Operator (if destined inland)
Cargo referred for examination/decision	Goods requested for examination/referral	Held for CBSA - Carrier, Freight Forwarder, Importer/Broker* and Warehouse Operator (if destined inland)
CSA cargo achieves Auth to Deliver status	Authorized to Deliver	Auth to Deliver - Carrier, Importer/Broker* and Warehouse Operator (if destined inland)
Cargo released	Goods released	Released - Carrier, Freight Forwarder, Importer/Broker* and Warehouse Operator (if destined inland)
Consolidated cargo arrived at destination	No existing message	Deconsolidation - Carrier, Freight Forwarder and Warehouse Operator



## eManifest Disposition Notices

Disposition Notices inform clients about a shipment as it progresses through the commercial process.

- Once in Canada, cargo can be placed in a number of dispositions. Disposition Notices are generated when a decision relating to a shipment is updated by the CBSA.
- Once cargo has been 'arrived' at its destination, (Conveyance Arrival Certification Message (CACM) or PIL-Arrival for FPOA-destined cargo, or Warehouse Arrival Certification Message (WACM) for in-bond), Disposition Notices are generated for the related cargo.
- Current arrival messages sent by the CBSA through RNS (e.g. Arrival Notification System (ANS)) will eventually be replaced by these notices.
- Current post-arrival messages sent by the CBSA through RNS release messages will also be replaced by these notices.





## eManifest Disposition Notices

Disposition Notices include:

- **Reported** - informs clients that cargo has been presented to the CBSA at the Port of Report or FPOA.
- **Arrived** - informs clients that cargo has arrived at its Port of Destination.
- **Held for CBSA** - informs clients that goods are being held for further determination or processing and cannot be released.
- **Released** - informs clients that goods are authorized to be removed from a CBSA office, a sufferance warehouse or a bonded warehouse and released into the Canadian economy.
- **Authorized to Deliver** - informs Customs Self-Assessment (CSA) clients that CSA goods can be delivered to the intended recipient.



## eManifest Notices - Deconsolidation

**Deconsolidation Notice** – informs clients that the CBSA has authorized the transfer of cargo control from a consolidated shipment to the related secondary house bills that were submitted by a freight forwarder.

- The information in this notice informs the warehouse operator of the further breakdown of the consolidated shipment they have entered into their warehouse. This information allows the warehouse operator to determine to which consolidated shipment a specific house bill is related.
- This notice can serve as electronic notification to the warehouse operator to allow the freight forwarder to take control of the goods within the consolidation.
- This notice can also serve as electronic notification to the party liable for the consolidated shipment that the consolidated cargo or house bill has been acquitted and liability has been transferred.
- Please note that all eManifest notices will be sent to warehouse operators based on the sub location code quoted on a cargo document.



## The Deconsolidation Notice and the Border Process

- Before goods arrive in Canada, the CBSA must have received and validated the electronic pre-arrival data from commercial clients within the prescribed mode-specific time frames.
  - Electronic house bills (or Supplementary Reports for FROB shipments) from freight forwarders
  - Primary cargo from carriers
- When the related conveyance arrives in Canada, the CBSA sends an Arrived Notice concerning the conveyance. At that time, Reported Notices are sent on the related primary cargo and house bills.
- If goods are destined for release at the FPOA, an Arrived Notice is sent on the primary cargo and house bills.
  - with primary inspection line processing - in the highway mode
  - with the CACM - in rail, air and marine modes
- If goods are moving in-bond, the CBSA sends Arrived Notices on the primary cargo and house bills with the successful receipt of the WACM.



## The Deconsolidation Notice and the Border Process

- The transmission of the Arrived Notice triggers the Deconsolidation Notice to the carrier, freight forwarder and the warehouse operator, indicating that the liability has been transferred to the house bill cargo reports.
- The carrier, freight forwarder and the warehouse operator must register with the CBSA to receive the Deconsolidation Notice.
- At any time in the process, shipments may be referred for further processing.
- Shipments identified as being of high or unknown risk in terms of national security, national public safety and contraband are examined at the First Point of Arrival (FPOA). All other examinations may be conducted at an inland CBSA office or approved inland destination.



## Sufferance Warehouse Operators and the Deconsolidation Notice

- Customs Notice 17-20 *Update - Deconsolidation Notice – Paper Options for Warehouse Operators, Terminal Operators and Freight Forwarders* outlines the process by which warehouse operators may release goods from the warehouse to the freight forwarder.

<http://www.cbsa-asfc.gc.ca/publications/cn-ad/cn17-20-eng.html>

- The CBSA strongly encourages warehouse operators to register for eManifest notices.
- The Deconsolidation Notice serves as an electronic notification to the warehouse operator to allow the freight forwarder to take control of the goods within the consolidation.



## Sufferance Warehouse Operators and the Deconsolidation Notice

When a freight forwarder receives the Deconsolidation Notice and the warehouse operator does not, a freight forwarder may:

- Print the Deconsolidation Notice (EDI or Portal) and provide a paper copy to the warehouse operator. This paper copy will serve as authorization to the warehouse operator to allow the freight forwarder to take possession of the shipments within the consolidated cargo.

When neither the freight forwarder nor the warehouse operator have the ability to receive the Deconsolidation Notice, the freight forwarder may:

- Print the House Bill Close Message which lists all of the cargo control numbers within the consolidation. The printed House Bill Close Message must then be presented to the CBSA for stamping. Once stamped, it can then be presented to the warehouse operator and serve as authorization to allow a freight forwarder to take possession of the shipments within the consolidated cargo.
- Present a printed paper copy of the consolidated cargo control document to the CBSA for stamping. Once stamped, it can be presented to the warehouse operator and serve as authorization to allow a freight forwarder to take possession of the shipments within the consolidated cargo.



# Deconsolidation Notice Scenario

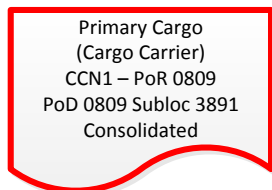
## Scenario

Primary cargo destined inland to a rail yard, house bills destined to an inland CW warehouse in another port



# Scenario Legend

- Colours identify the parties involved.
  - **Red** for **Cargo Carrier**
  - **Blue** for **Importer/Broker A**
  - **Grey (or mustard)** for **Warehouses**
  - **Green (or purple)** for **Freight Forwarders**



← Trade Document, Arrows indicate a document relationship



← Status of document

Released

← Text indicates Notice Type, Colour identifies receiving party



← Additional components of deconsolidation (HBLs) not analyzed

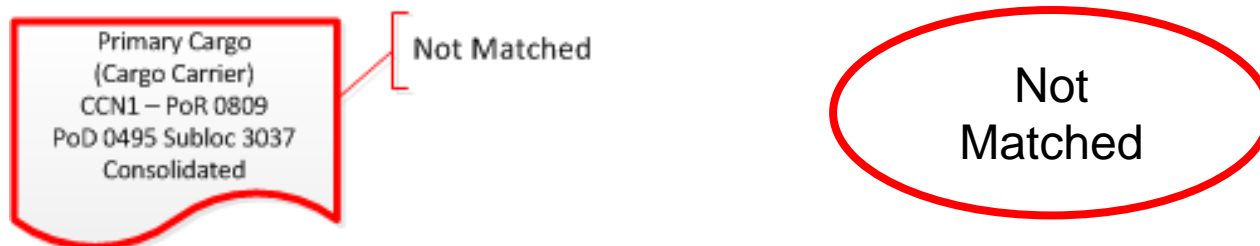




**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 1: Marine carrier submits an inland consolidated cargo document, the Port of Report is different than the Port of Destination

Note: Subloc of Port of Destination on primary cargo is a rail yard (Subloc 3037)



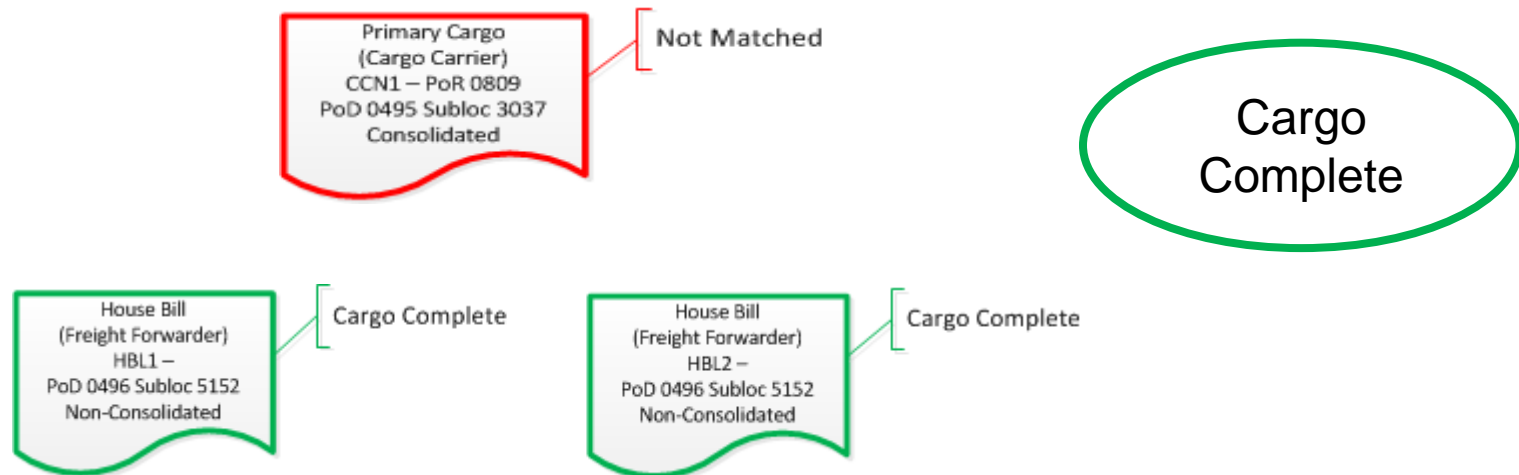
**Cargo Carrier** submits a **Cargo document (CCN1)**

- CBSA validates cargo document CCN1
- CBSA sends a message to the carrier indicating CCN1 is Accepted
- CCN1 status is set to **Not Matched** (Marine Cargo)
- CBSA sends a Completeness notice to the **Cargo Carrier** indicating CCN1 is **Not Matched**.



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 2: Freight forwarder submits non-consolidated house bill for a CW warehouse (Subloc 5152) in a port code that is different than the primary cargo's Port of Destination



### Freight Forwarder submits non-consolidated House Bills (HBL1 and HBL2)

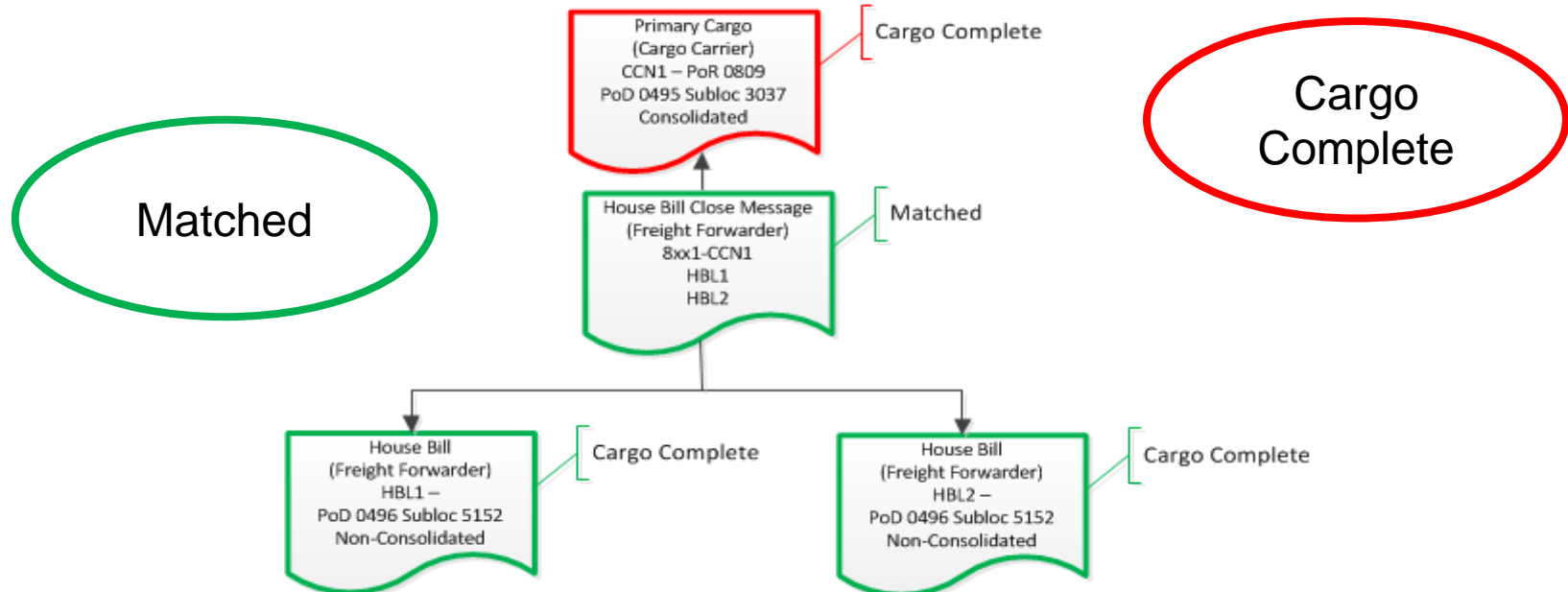
- CBSA validates house bill documents
- CBSA sends a message to the freight forwarder indicating HBL1 and HBL2 are Accepted
- HBL1 and HBL2 statuses are set to **Cargo Complete** (non-consolidated house bills)
- CBSA sends a Completeness notice to the **Freight Forwarder** indicating HBL1 and HBL2 are **Cargo Complete**.



**Scenario** - Primary cargo destined inland to a rail yard,

house bills destined to an inland CW warehouse in another port

Step 3: Freight forwarder submits House Bill Close message



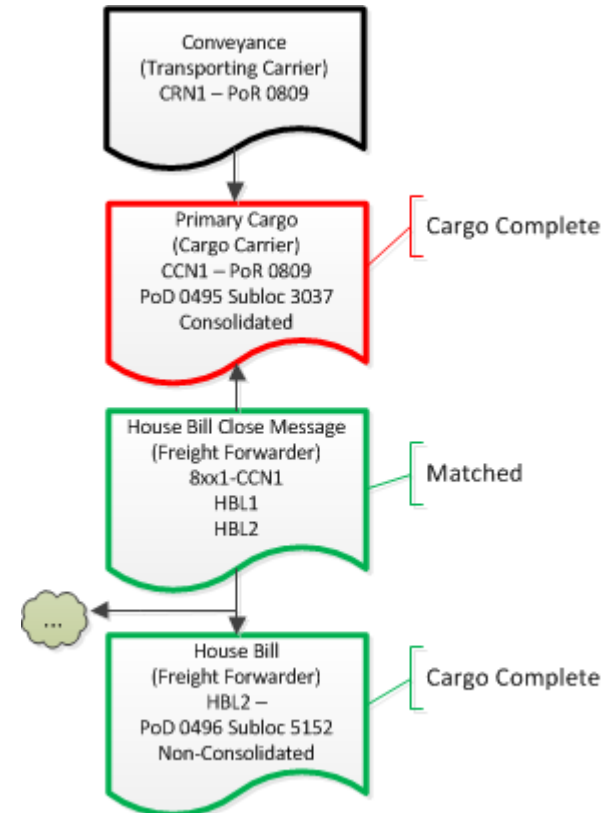
### Freight Forwarder submits House Bill Close message

- CBSA validates House Bill Close document
- CBSA sends a message to the freight forwarder indicating that the House Bill Close is Accepted
- CCN1 status is set to **Cargo Complete**
- CBSA sends a Completeness notice to the **Cargo Carrier** indicating CCN1 is **Cargo Complete**.
- CBSA sends a Completeness notice to the **Freight Forwarder** indicating that the House Bill Close is **Matched**



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 4: Transporting marine carrier submits conveyance document



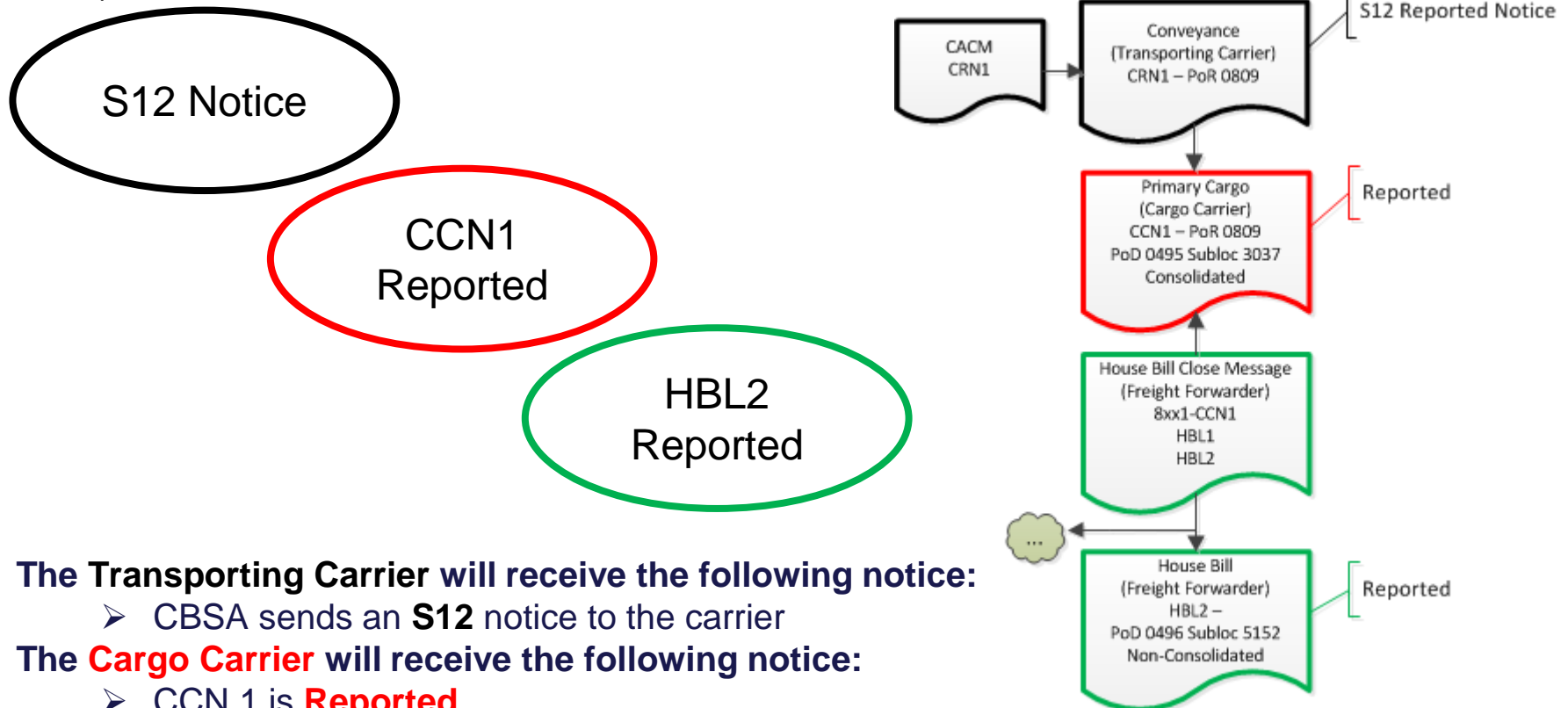
### Transporting Marine Carrier submits Conveyance document

- CBSA validates conveyance document
- CBSA sends a message to the carrier indicating that the conveyance document is Accepted



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 5: Transporting marine carrier transmits a Conveyance Arrival Certification Message (CACM)



**The Transporting Carrier will receive the following notice:**

- CBSA sends an **S12** notice to the carrier

**The Cargo Carrier will receive the following notice:**

- CCN 1 is **Reported**

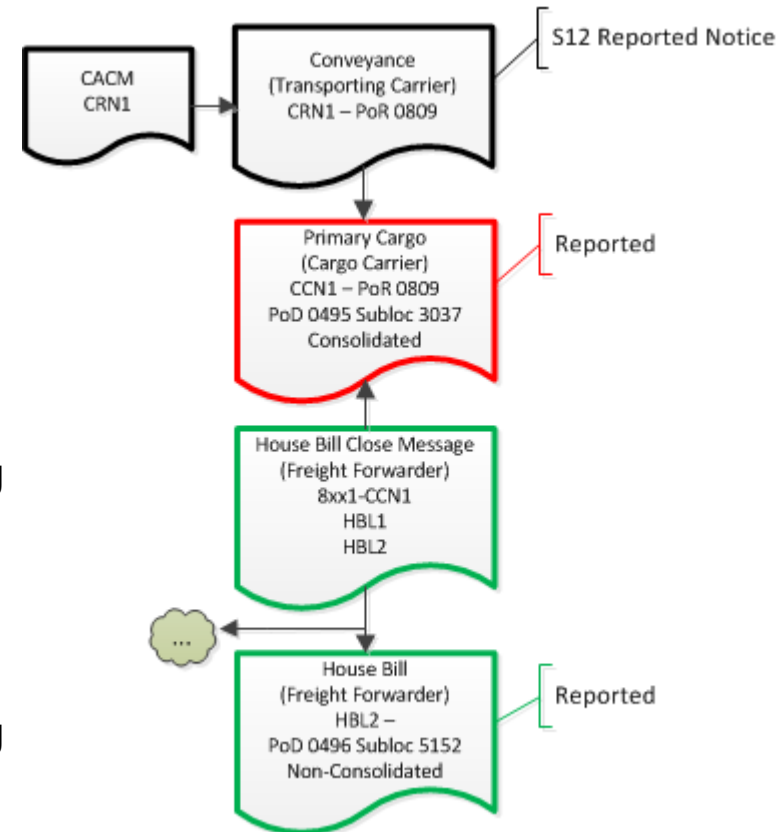
**The Freight Forwarder will receive the following notice:**

- House Bill HBL2 is **Reported**



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 5 (cont'd): Transporting marine carrier transmits a Conveyance Arrival Certification Message (CACM)



**The Warehouse (Subloc 3037) will receive the following notice:**

- **CCN 1 is Reported**
  - This message will be sent to the Warehouse Operator of the subloc quoted on the Primary CCN(CC1)

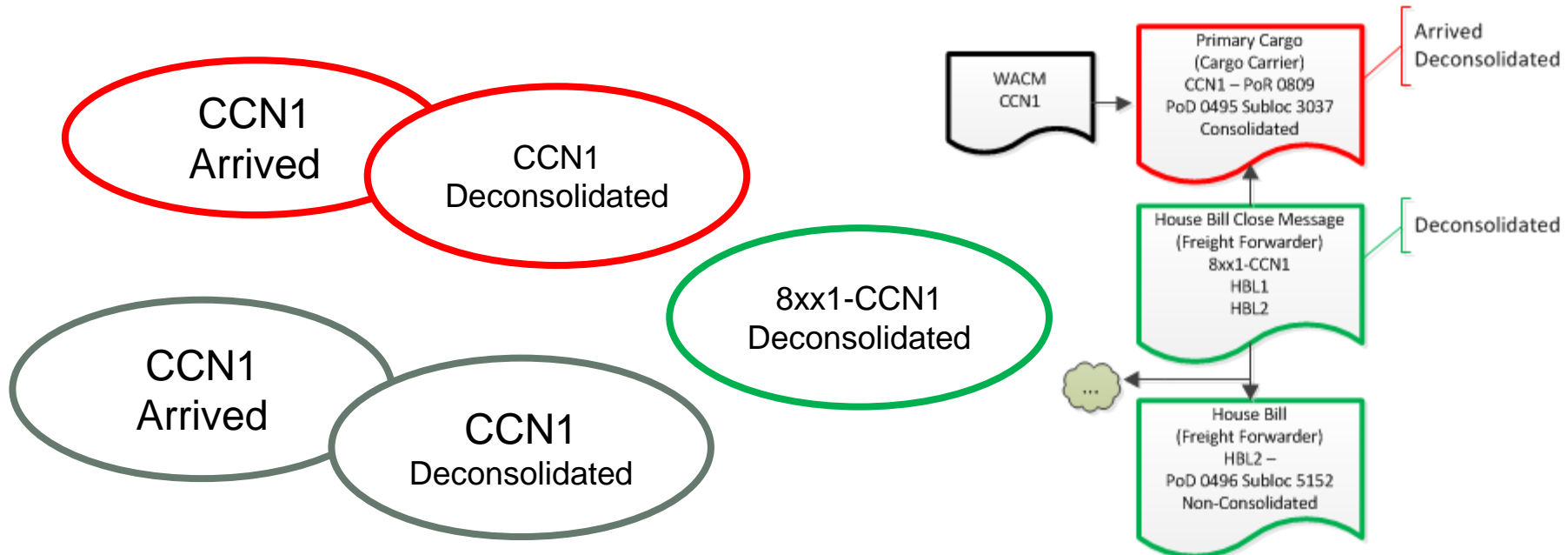
**The Warehouse (Subloc 5152) will receive the following notice:**

- **HBL2 is Reported**
  - This message will be sent to the Warehouse Operator of the subloc quoted on the House Bill (HBL2)



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 6: Carrier transports cargo CCN1 to inland Port of Destination and Warehouse 3037 submits a Warehouse Arrival Certification Message (WACM) for CCN1



The **Cargo Carrier** will receive the following notices:

- CCN 1 is **Arrived** and **Deconsolidated**

The **Freight Forwarder** will receive the following notice:

- House Bill Close (8xx1-CCN1) is **Deconsolidated**

The **Warehouse (Subloc 3037)** will receive the following notices:

- CCN1 is **Arrived** and **Deconsolidated**



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 7: Freight forwarder transports HBL2 to inland Port of Destination, and Warehouse 5152 submits a Warehouse Arrival Certification Message (WACM) for HBL2



The **Freight Forwarder** will receive the following notice:

- HBL2 is **Arrived**

The **Warehouse (Subloc 5152)** will receive the following notice:

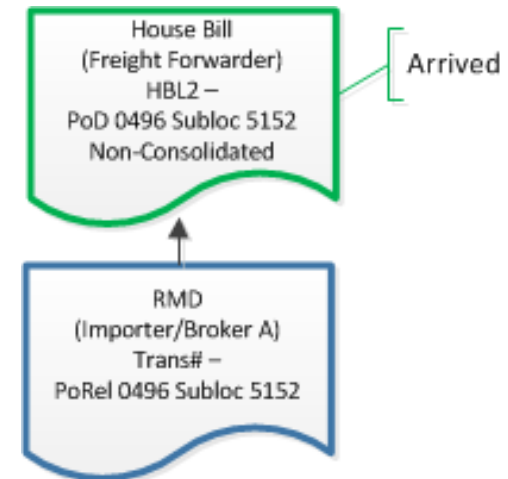
- HBL2 is **Arrived**





**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 8: Importer/broker A submits Release on  
Minimum Documentation (RMD) for HBL2



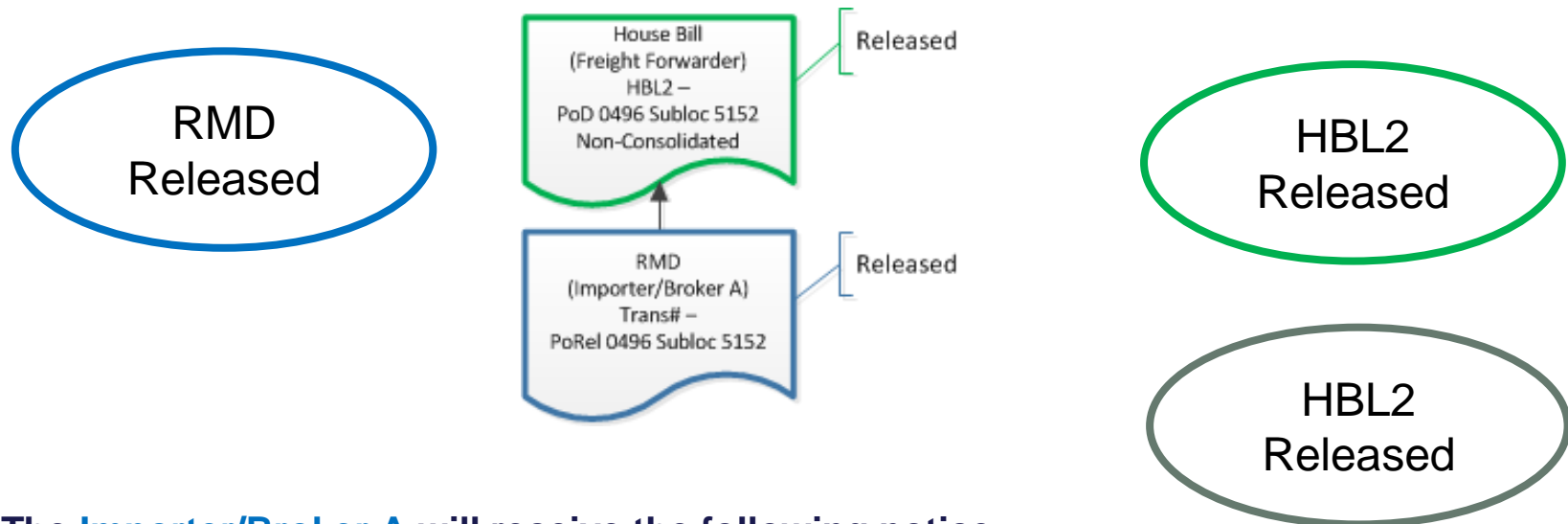
**Importer/Broker A submits RMD for HBL2**

- CBSA validates RMD document



**Scenario** - Primary cargo destined inland to a rail yard,  
house bills destined to an inland CW warehouse in another port

Step 9: CBSA makes a release decision



The **Importer/Broker A** will receive the following notice:

- RMD is **Released**

The **Freight Forwarder** will receive the following notice:

- HBL2 is **Released**

The **Warehouse (Subloc 5152)** will receive the following notice:

- HBL2 is **Released**



## Freight Destined to a Different Sub-Loc

Scenario: eHBL with a different sub-loc code that arrives in your warehouse:

- Warehouse Operators must ensure that shipments arriving at their warehouse are destined to their sub-location code.
- Warehouse Operators must ensure that they transmit a WACM for shipments which are destined to their warehouse.
- Warehouse Operators must ensure that they have received a deconsolidation notice for those shipments that are not destined to their warehouse before allowing the shipment to exit the warehouse.
- Warehouse Operators are encouraged to sign up for Manifest Forward to facilitate communication between trade chain partners.



## Future Direction

- The CBSA has developed an interim process to address current security and program integrity concerns until systems enhancements for electronic house bill requirements and functionality are deployed. For additional information on the interim process please refer to Customs Notice 17-22.
- The CBSA must implement both system and program changes to ensure full support of clients in their transition to eManifest, throughout the regulatory implementation.
- The CBSA will support clients through this period into full implementation through online resources and dedicated client support activities.
- The CBSA urges warehouse and terminal operators to register for electronic notices most notably, the Deconsolidation Notice in order to facilitate these processes.



# Applicable D-Memos, Customs Notices and ECCRDs

## D-Memoranda:

[D3-1-1](#): Policy Respecting the Importation and Transportation of Goods

[D4-1-4](#): Customs Sufferance Warehouses

## Customs Notices:

[CN 17-22](#): Interim Process for Electronic House Bills

[CN 17-20](#): Update – Deconsolidation Notice – Paper Options for Warehouse Operations, Terminal Operators and Freight Forwarders

[CN 17-15](#): Changes to the Implementation Timeline for Electronic House Bills

[CN 15-028](#): Mandatory electronic notification of cargo at sufferance warehouses

## ECCRD:

[Chapter 11](#): Advance Commercial Information (ACI) eManifest Notices

[Chapter 21](#): Release Notification System (RNS)



## Stay Informed

To be notified of Webinars that include client-specific information about eManifest notices, send an email and state your client type (i.e. carrier, freight forwarder, warehouse operator, customs broker, importer, service provider, or other).

**[eManifest\\_comm-Manifeste\\_electronique\\_comm@cbsa-asfc.gc.ca](mailto:eManifest_comm-Manifeste_electronique_comm@cbsa-asfc.gc.ca)**

For information about registering, testing, EDI software/service providers, and to request the most recent Chapters of the ECCRD, email the Technical Commercial Client Unit (TCCU).

**[TCCU-USTCC@cbsa-asfc.gc.ca](mailto:TCCU-USTCC@cbsa-asfc.gc.ca)**

For enquiries on eManifest policy and operations, email the eManifest Help Desk:

**[eManifest-manifestelectronique@cbsa-asfc.gc.ca](mailto:eManifest-manifestelectronique@cbsa-asfc.gc.ca)**

To be notified when new or revised ECCRD Chapters are published, subscribe to the ECCRD Email Alert Service.

**[www.cbsa-asfc.gc.ca/alert-avis/menu-eng.html](http://www.cbsa-asfc.gc.ca/alert-avis/menu-eng.html)**



# Questions?

