



Memorandum D4-1-4

Ottawa, November 12, 2021

Customs Sufferance Warehouse Licensing

In Brief

This memorandum has been revised to provide general updates resulting from the Cargo Control and Sufferance Warehouse Modernization Initiative.

This memorandum explains the procedures an individual or company must follow to obtain, amend or cancel a Canada Border Services (CBSA) customs sufferance warehouse licence. It also describes the terms and conditions for operating a sufferance warehouse and the types of sufferance warehouses that may be licensed in Canada.

Table of Contents

Legislation	2
Guidelines and General Information	2
Introduction	3
Licensing of Sufferance Warehouses	3
Application for a Licence	3
Requirements to Obtain a Licence	4
Financial Security	5
Approval of Application	6
Amendment, Cancellation or Suspension of Licence	6
Amendment Requested by the Licensee	6
Amendment by the CBSA	6
Cancellation/Closure Initiated by the Licensee	6
Cancellation by the CBSA	7
Suspension (or Cancellation) Initiated by the CBSA	
– With Notice	7
Reinstatement of Licence by the CBSA	7
Cancellation Initiated by the CBSA – With Notice	7
Change of Ownership/Lease Agreement	8
Change of Ownership of Highway Sufferance Warehouse (Type BW)	8
Sub-Leasing a Sufferance Warehouse	8
Responsibilities of the Licensee	9
Relocation of Warehouse	9
Closure of Warehouse	9
Facilities	9
Building Requirements	10
Building Modifications	10
Access Restrictions to Sufferance Warehouse Facilities	11
Receipt and Refusal of Goods into the Warehouse	11
Electronic Communication with the CBSA	12

<u>Application to Transmit Electronic Data to the CBSA</u>	<u>12</u>
<u>Record Keeping – Open and Closed</u>	<u>12</u>
<u>Alteration of Goods</u>	<u>14</u>
<u>Storage of Firearms and Other Weapons</u>	<u>14</u>
<u>Time Limits</u>	<u>15</u>
<u>Exceptions</u>	<u>15</u>
<u>Place of Safekeeping</u>	<u>15</u>
<u>Unclaimed Goods</u>	<u>15</u>
<u>Geographic Boundaries and Minimum Volume</u>	
<u>Thresholds to Open and Close a Suffrance</u>	
<u>Warehouse</u>	<u>16</u>
<u>Types of Suffrance Warehouses</u>	<u>16</u>
<u>Suffrance Warehouse Requirements and Restrictions</u>	<u>17</u>
<u>Penalty Information</u>	<u>25</u>
<u>Monitoring and Warehouse Checks</u>	<u>25</u>
<u>Additional Information</u>	<u>25</u>
<u>Appendix A – Cargo Handling Contract</u>	<u>26</u>
<u>References</u>	<u>28</u>

Legislation

Customs Act
Customs Suffrance Warehouses Regulations
Imported Goods Records Regulations
Storage of Goods Regulations
Transportation of Goods Regulations

To obtain a copy of the legislation or regulations, please consult the Justice Canada website at www.justice.gc.ca.

Guidelines and General Information

Definitions

1. The following definitions apply to this memorandum:

“**Act**” means the *Customs Act*.

“**Applicant**” means a person who applies for a licence.

“**Bulk Cargo**” means goods that are loose or in mass, such that they are confined only by the permanent structures of the vessel, without intermediate containment or intermediate packaging.

“**Carrier**” A carrier is a person involved in international commercial transportation who reports cargo to the CBSA and/or who operates a conveyance used to transport specified goods to or from Canada.

“**Consolidation**” means a number of shipments are grouped together by a consolidator or freight forwarder and shipped to an agent or a freight forwarder as one shipment under one bill of lading and reported to the CBSA on one cargo control document (CCD).

“**Deconsolidation**” means the process whereby a consolidated shipment is divided into individual shipments consigned to various consignees.

“**Excise warehouse licensee**” means a person who holds an excise warehouse licence issued under section 19 of the [Excise Act 2001](#).

“**Freight forwarder**” means a person who, on behalf of one or more owners, importers, shippers or consignees of goods, causes specified goods to be transported by one or more carriers.

“**Licence**” means a licence to operate a place as a sufferance warehouse as provided for in section 24 for the [Customs Act](#).

“**Licensee**” means a person to whom a sufferance warehouse licence has been issued.

“**Place of safe-keeping**” means a place that has been designated by the Minister pursuant to section 37.1 of the [Customs Act](#) for the safekeeping of goods.

“**Regulations**” in this memorandum means the [Customs Sufferance Warehouses Regulations](#), unless otherwise specified.

“**Re-manifest**” means a new cargo control document, with a new cargo control number, which is presented to change a cargo control document that had previously been submitted to the CBSA. Re-manifests are generally presented to change the destination office or carrier code.

Introduction

2. Sufferance warehouses are privately owned and operated facilities licensed by the Canada Border Services Agency (CBSA) for the control, short-term storage, transfer, delivery and examination of in-bond goods until the goods are released by the CBSA or exported from Canada.
3. The CBSA will aim to process customs sufferance warehouses licence applications within 60 business days from the date of the receipt of the complete application.

Licensing of Sufferance Warehouses

Application for a Licence

4. An application for a licence to operate a sufferance warehouse must be made in writing on the appropriate application form which depends on the type of sufferance warehouse being applied for. [Form E400](#) is used for most types of Sufferance Warehouses, [Form E400B](#) is used for Customs Highway Sufferance Warehouses (BW) and [Form E400C](#) is used for Type CW warehouses. Detailed descriptions of the types of sufferance warehouses, correct application form for each type, and the operating requirements and restrictions specific to each type, can be found in paragraphs 102 to 139 of this memorandum. Forms are available from CBSA offices as well as on the CBSA website at www.cbsa.gc.ca under Publications and Forms.
5. Only the person who will operate the business may file for an application in the name of a sole proprietorship. However, one of the partners or associates may file an application on behalf of a partnership or unincorporated association and one of the directors may file on behalf of a corporation. Information concerning all the partners, associates, or directors must be provided if requested by the CBSA.

6. The completed sufferance warehouse application form must be forwarded to the local CBSA office that has jurisdiction over the area where the proposed warehouse is to be located (see [Directory of CBSA Offices](#)). The application must be submitted with the following:

- (a) a blueprint, or reasonable facsimile, of the entire building, indicating:
 - (i) if the building exists or is to be constructed;
 - (ii) the type of construction;
 - (iii) the location that is to be used for the storage of goods;
 - (iv) the location of all partitions, doors, windows, and stairs;
 - (v) the location and dimensions of an examining room or office for the use of the CBSA, where applicable;
 - (vi) the location of telephones, lights and source of heat in the CBSA office and examining room, where applicable; and
 - (vii) the location of the washroom facilities;
- (b) information on the type of fire-safety equipment such as extinguishers and sprinkler system;
- (c) a site plan of the property showing the location of the warehouse building and the detention compound or parking area;
- (d) when requested by the CBSA, letters from importers in support of the application for the establishment of the sufferance warehouse; and
- (e) where applicable, a copy of the cargo handling contract. A sample cargo-handling contract can be found in [Appendix A](#) of this memorandum.

7. The CBSA will date stamp applications and forward an acknowledgment of receipt to the applicant.

8. The CBSA will examine the proposed sufferance warehouse to ensure that the facility meets CBSA requirements for location, suitability, security, accommodations, heating and lighting as set out in Part II of the [Customs Sufferance Warehouses Regulations – Operation of Sufferance Warehouses](#).

9. Applicants should not finalize any lease that is dependent on the granting of the sufferance warehouse licence and should not expend capital resources for renovations or construction of sufferance warehouse facilities until the application has been approved, or approved in principle, by the CBSA.

10. Applicants must not start operating the sufferance warehouse until the application has been approved or approved in principle by the CBSA.

11. If the application is rejected, the CBSA will send a notice in writing to the applicant informing them of the reasons for the refusal.

Requirements to Obtain a Licence

12. When the CBSA approves an application for a sufferance warehouse, before the licence is issued to the applicant, the following conditions must be met:

- (a) the applicant is of good character
- (b) the applicant has sufficient financial resources to enable him to provide the facilities, equipment, personnel and services required under sections 11 to 13 of the [Customs Sufferance Warehouses Regulations](#) and to lease or purchase the proposed sufferance warehouse

- (c) the volume and nature of business in the area in which the applicant proposes to operate a sufferance warehouse is such that a sufferance warehouse is needed to serve the importers in that area
- (d) the site of the proposed sufferance warehouse is within a reasonable distance from major transportation routes and a CBSA office
- (e) the proposed sufferance warehouse contains adequate space for the storage of imported goods
- (f) the structure of the proposed sufferance warehouse will be suitable for the operation of a sufferance warehouse
- (g) the CBSA is able to provide customs services with respect to the proposed sufferance warehouse and
- (h) the required amount of financial security in the proper format is deposited with the CBSA. See section below on Financial Security.

Financial Security

13. Security for each sufferance warehouse must be in an amount calculated on the basis of \$1000 for each 1000 shipments or releases per year destined to the warehouse facility. Security will not be less than \$20,000 per warehouse.

14. One security may be filed for all sufferance warehouses located within the same CBSA office area. The amount of security should reflect \$1000 per every 1000 shipments and must not be less than \$20,000 per number of warehouses included in the security or reflected on the bond. The address of each warehouse must be indicated on the bond or on an attached rider or on a letter if cash-type security is provided. The security must be submitted to the local CBSA office that has jurisdiction over the area where the operator intends to establish a sufferance warehouse.

15. One national security/bond may be filed for all sufferance warehouses located within several CBSA office areas and it should reflect \$1000 per every 1000 shipments received in each of the warehouses indicated on the bond and it must not be less than \$20,000 per number of warehouses included in the security or reflected on the bond. The address and bond amount for each warehouse and the appropriate CBSA office must be indicated on an attached rider. The national bond must be submitted to [Commercial Registration Unit \(CRU\)](#) in order that copies can be distributed to each affected local CBSA office. Please forward any national bonds and related documents to the following address at HQ:

CBSA – Commercial Registration Unit
12th Floor, Sir Richard Scott Building
191 Laurier Avenue West
Ottawa, ON K1A 0L8

[CBSA-ASFC Commercial Registration Agreement commercial@cbsa-asfc.gc.ca](mailto:commercial@cbsa-asfc.gc.ca)

16. Warehouse operators are to self-assess their security requirement on an annual basis and may increase or decrease their security based on this assessment. The CBSA may request additional security if a warehouse is found not to be posting sufficient security.

17. General procedures related to security can be found in [Memorandum D1-7-1, Posting Security for Transacting Bonded Operations](#). Bonds issued for customs sufferance warehouses must be on [Form D120, Customs Bond](#). The form is available on the CBSA website at www.cbsa.gc.ca under Publications and Forms.

18. The CBSA will advise licensees when the surety company has canceled security for their sufferance warehouse. However, it is the responsibility of licensees to ensure that new security is on file with the CBSA.

19. Licensees must report new security or amendments to existing security by completing an application form ([E400](#), [E400B](#) (Type BW) or [E400C](#), (Type CW), checking “amendment” and entering the security information in the applicable fields. This form must be forwarded with the amended security to the local CBSA office or for national bonds, to the [CRU](#) as detailed above. Failure to present new security to the CBSA before the termination date of the previous security could result in the suspension of the licence after the security termination date.

Approval of Application

20. If the CBSA approves an application for a sufferance warehouse, the licence with the assigned licence number and other pertinent information will be sent to the applicant if the required amount of financial security in the proper format is deposited with the CBSA.

Amendment, Cancellation or Suspension of Licence

Amendment Requested by the Licensee

21. Licensees must request licence amendments by completing an amended application form and submitting it to the local CBSA office with jurisdiction over the sufferance warehouse. Requests for amendments will be processed as if they are new applications. If the request is approved, the licensee will receive an amended licence. If the request is denied, the CBSA will advise the licensee in writing of the reasons for denial.

Amendment by the CBSA

22. The CBSA may amend a licence only for the following purposes:

- (a) to change a restriction specified in the licence regarding the classes of goods that may be received in the sufferance warehouse in respect of which the licence was issued, or to specify such a restriction and,
- (b) to change the circumstances specified in the licence in which goods may be received in the sufferance warehouse, or to specify such circumstances or
- (c) to change the name of the licensee, where the name of the licensee is changed.

23. Licensees will be advised in writing, 90 days in advance of when the Minister intends to amend a licence to change the class of goods that may be received in the warehouse or to change the circumstances under which the goods may be received, as stated in subparagraphs (a) and (b) above. **The licensee will be given a period of 90 days from the date of the notice to make representations as to why the licence must not be amended.**

Cancellation/Closure Initiated by the Licensee

24. Licensees who wish to cancel their sufferance warehouse license must advise the CBSA, in writing, at least 60 days before the effective cancellation/closure date. The CBSA will acknowledge the notice of cancellation/closure. In the case of an abrupt or unplanned closure (e.g. as a result of a fire, bankruptcy) the licensee must immediately advise the local CBSA office of the closure, in order that measures can be taken by the CBSA to control access to the facility.

Cancellation by the CBSA

25. In accordance with section 7 of the Regulations, the CBSA may cancel a licence where the licensee:

- (a) no longer owns or leases the place that is licensed as a sufferance warehouse
- (b) requests the Minister in writing to cancel the licence or
- (c) is bankrupt.

26. A 90-day notice period is not applicable when the reason for cancellation is one of the above.

Suspension (or Cancellation) Initiated by the CBSA – With Notice

27. In accordance with section 8(1) and subject to section 9 of the Regulations, the CBSA may suspend (or cancel) a licence where the licensee:

- (a) is the subject of a receivership in respect of his debts
- (b) fails to comply with any Act of Parliament, or any regulation made pursuant thereto, that prohibits, controls or regulates the importation or exportation of goods
- (c) has, in the course of his operation of the sufferance warehouse, acted dishonestly in his business dealings with customs brokers, importers, carriers, Her Majesty or servants of Her Majesty or
- (d) has been incompetent in the operation of the sufferance warehouse.

28. When a licence is suspended by the Minister, the CBSA will immediately advise the licensee by registered mail of the suspension and provide all relevant information concerning the grounds for the suspension. The licensee will have 90 days to provide information why the licence should be reinstated. This information should be provided to the address indicated on CBSA's suspension letter.

29. In cases where the licensee must take corrective action, the proposed suspension will be withdrawn when the CBSA is satisfied that the reasons for the suspension no longer exist.

Reinstatement of Licence by the CBSA

30. The Minister may reinstate a suspended licence where the Minister is satisfied that the cause for the suspension no longer exists.

31. The CBSA will advise licensees by registered mail when a suspended licence has been reinstated.

Cancellation Initiated by the CBSA – With Notice

32. In accordance with section 8(2) and subject to section 9(3) and (4) of the Regulations, the CBSA may cancel a licence where:

- (a) the volume of goods being received in the sufferance warehouse is no longer sufficient to warrant the continued operation
- (b) there is no longer a need for a sufferance warehouse in the area in which the sufferance warehouse is located or
- (c) the CBSA is no longer able to provide customs services with respect to the sufferance warehouse.

33. Before the Minister cancels a licence for the above reasons, the CBSA will advise the licensee by registered mail 90 days prior to the intended date of cancellation. The CBSA will provide the licensee with all relevant information concerning the grounds for the cancellation. During the 90-day period, the licensee may provide information to the CBSA office indicated in CBSA's notice of cancellation explaining why the licence should not be cancelled. The CBSA will consider this information and the notice of cancellation will be withdrawn if the Minister is satisfied that the cause for the cancellation no longer exists.

Change of Ownership/Lease Agreement

34. When a change of ownership or control of a facility is planned, the licensee must advise the CBSA in writing at least 60 days before the effective date of the change.

35. If ownership or control of the facility changes, the CBSA will cancel the existing licence to operate the sufferance warehouse. A change of ownership or control of a warehouse requires submission of a completely new sufferance warehouse licence application to operate the sufferance warehouse. The new owner, lessee or the party taking control of the warehouse must apply on [Form E400](#), for a licence to operate a customs sufferance warehouse. If the applicant is not making any changes to the physical structure of the facility, the building's plan specifications may not be required. The CBSA will process the application in the same way as an application for a new warehouse.

Change of Ownership of Highway Sufferance Warehouse (Type BW)

36. When a change of ownership or control of a Type BW warehouse is planned, the licensee must advise the CBSA in writing, at least 60 days before the effective date of the change.

37. If the Minister determines that a new or an additional Type BW highway sufferance warehouse is required, applications will be invited through the issuance of a Customs Notice. All applications in response to advertisements must be submitted on [Form E400B, Application for Licence to Operate a Customs Highway Sufferance Warehouse](#), to the CBSA office indicated on the Customs Notice.

Sub-Leasing a Sufferance Warehouse

38. Sufferance warehouse licensees may sub-lease a section of their warehouses to a person or persons licensed to operate a sufferance warehouse.

39. Where a sufferance warehouse is restricted by the terms and conditions of its licence to the receipt of goods arriving by motor vehicles used for commercial purposes, the licensee may lease space to any carrier who has requested space for his exclusive use in the operation of a separate sufferance warehouse. In this situation sufferance warehouse licensees may sub-lease a section of their warehouses to a person or persons licensed to operate a sufferance warehouse

40. To obtain a licence to operate a separate sufferance warehouse, the person or persons wishing to sub-lease a section of the warehouse, referred to as the lessee, must complete application [Form E400](#), [E400B](#), or [E400C](#) as applicable and provide this completed application to the licensee, also referred to as the lessor, to forward to the CBSA office in the area where the warehouse is located. The completed application must include the following:

(a) a diagram of the floor plan designating the leased area. The space must be adequate to meet the operational needs for a sufferance warehouse and

(b) a properly completed security bond or confirmation that security will be presented to the CBSA before the warehouse starts operating.

41. The CBSA will process the application in the same manner as a new application to operate a sufferance warehouse.

42. The sufferance warehouse lessors must also advise the CBSA in writing of any relocation, reductions, extensions, or other changes that impact their sufferance warehouse licence, including changes resulting from sub-leasing within their warehouse. They must send a copy of the amended floor plan with the notice to the local CBSA office. In these cases, if approved by the CBSA, an amended application is not required from the lessor.

Responsibilities of the Licensee

Relocation of Warehouse

43. When planning a change in location, the licensee must submit, at least 60 days in advance, a [Form E400](#) to apply to the CBSA for a licence to operate at the new location.

44. The CBSA will process the application for relocation in the same manner as for new applications. If approved, the CBSA will issue a new licence for this location. The licensee must provide new security or a rider amending the existing customs bond indicating the relocated warehouse location.

45. If a licensee relocates the sufferance warehouse operation without the CBSA's previous written approval, the CBSA may cancel the existing licence to operate a sufferance warehouse.

46. Applicants should not expend capital funds on construction or renovations to the relocation site until a licence is issued or until the application has been approved in principle.

47. Applicants must not start operating the sufferance warehouse at the new location until conditional or final approval has been given by the CBSA.

Closure of Warehouse

48. The licensee must advise the CBSA in writing at least 60 days before the effective date of the closure. The CBSA will acknowledge a notice of closure from a licensee.

49. All in-bond goods must be accounted for by the payment of duties and taxes or by transferring the goods to a location authorized by the CBSA, before any sufferance warehouse closes. The goods may also be exported from Canada.

50. A CBSA officer will conduct a warehouse check to ensure that all in-bond goods accounted for.

Facilities

51. Licensees are responsible for identifying and providing adequate space in the warehouse building and the detention compound for the safe storage of in-bond goods. If it is determined that there is not enough space for the volume of traffic, the CBSA may ask the licensee to provide additional storage space.

52. Licensees may be required to provide a detention compound or parking area for the storage of imported goods that are held in a conveyance, should the CBSA so request.

53. Unless the sufferance warehouse licensee has made other arrangements with parties using the warehouse facilities, the licensee is responsible for providing adequate space, the proper equipment for unloading and moving shipments as well as personnel to locate, open, and close packages for CBSA examinations.

54. Licensees are responsible for providing washroom facilities and offices for the use of officers, and the heat, light and cleaning services necessary for those facilities and offices, where so requested by the CBSA.

N.B. Warehouse operators are expected to provide and maintain a clean and safe environment for all CBSA personnel attending their facilities in order to meet health and safety regulations.

55. Licensees are responsible to provide facilities, equipment and personnel sufficient to control access to the sufferance warehouse and provide secure storage of the goods stored in it, including:

- (a) doors and other building components of sturdy construction
- (b) secure locks on doors and windows
- (c) signs that indicate the security requirements applicable to the premises and
- (d) where the sufferance warehouse will be used for the storage of designated goods, such additional facilities and equipment as may be required to ensure the secure storage of those goods.

Building Requirements

56. Sufferance warehouse building requirements will be subject to approval by the local CBSA office and must have, as a minimum:

- (a) a storage area with access from the exterior of the building provided by a freight door
- (b) a heated office area and an examining area or a combined office and examining room for use by CBSA examiners, where applicable. The office and examining room must be protected from the elements. If the warehouse is serviced by the CBSA on a call-out or part-time basis, the operator need only provide the use of an office when required by CBSA officials and
- (c) a secure depository for CBSA documents, if requested by the CBSA.

57. A separate area exclusively for the storage of in-bond shipments is required in the warehouse building or in the detention compound. In-bond goods must not be co-mingled with domestic goods and access to in-bond goods must be restricted to authorized persons only.

58. If a group of sufferance warehouses is located in a building owned by a person or company other than the applicant, the landlord must provide accommodation, utilities, and furnishings for the CBSA examiners' office. Individual applicants are required to provide only space, equipment, and a worktable needed for examining goods.

59. When a sufferance warehouse is being constructed, the building must conform exactly to the original plans submitted to the CBSA unless the CBSA has given previous approval to deviate from the original plans.

Building Modifications

60. Licensees must get approval from the CBSA before starting modifications that will affect the sufferance warehouse area. Such modifications would include:

- (a) any reduction or expansion affecting the sufferance warehouse including the CBSA office area within the warehouse
- (b) any change affecting freight doors, entrance doors, or windows and

(c) any change affecting other physical security requirements.

61. The licensee must submit a drawing showing the proposed changes to the local CBSA office. An amended application form is not normally required unless an extension to the warehouse structure is proposed.

62. For certain warehouse types, (e.g. BW, SL, SO, SO-CSA) final approval of proposed changes is given by CBSA Headquarters on the recommendation of the local CBSA office.

Access Restrictions to Sufferance Warehouse Facilities

63. In accordance with subsection 12(2), [Customs Sufferance Warehouses Regulations](#), no person other than the licensee, an employee of the licensee or an employee of a carrier engaged in the delivery of goods to or the removal of goods from the sufferance warehouse, shall enter any place in it where goods are stored, without the written authorization or the attendance of an officer.

64. Licensees must take reasonable measures to restrict warehouse access to authorized persons only. Unauthorized persons are not allowed access without previous written authorization from the CBSA or in the attendance of a CBSA officer. Signs informing of this restriction must be posted at the warehouse entrance. A CBSA officer must accompany customs brokers and their employees who wish to get invoices or other documents from shipments stored in the warehouse. Special service charges may apply, as outlined in [Memorandum D1-2-1, Special Services](#).

65. The CBSA has granted authorization for Transport Canada's (TC), Transportation Security Inspectors (TSIs) to access CBSA licensed air carrier sufferance warehouses and to bonded air cargo located within the warehouse. TSIs promote compliance of the Air Cargo Security Program and are tasked with verifying that the Cargo Security Form is attached with the air waybill documents. As the Cargo Security Form is not physically attached to the goods, TSIs will not normally perform any physical screening of the cargo.

66. TSIs do not need to obtain special permission from the local CBSA office, nor require a CBSA officer to be on site each time they require access to a SW. TSIs possessing a valid TC "inspector" identification card are authorized to access all CBSA controlled air cargo sufferance warehouses across Canada and must present their identification card to the warehouse operator each time entry is requested.

67. Licensees handling imported freight on behalf of carriers and importers must take reasonable measures to ensure that confidentiality regarding their clients' shipments is maintained at all times.

Receipt and Refusal of Goods into the Warehouse

68. In order to be compliant with section 14 of the [Customs Sufferance Warehouses Regulations](#), the licensee must electronically acknowledge receipt of all imported goods placed in the warehouse upon receiving the goods from the carrier. This is done by transmitting an electronic Warehouse Arrival Certification Message (WACM) upon the arrival of the goods in the warehouse. The WACM should include the licensee's warehouse sub-location code. A list of warehouse sub location codes can be found on the [CBSA website](#). Licensed warehouse operators must be registered participants in the CBSA's Release Notification System (RNS), using an Electronic Data Interchange (EDI) or a third party service provider to transmit their arrival messages. For more information regarding electronic communication see [paragraphs 73-77](#).

69. However, if the goods were transported to Canada by or on behalf of a courier and will be released under subsection 32(4) of the Act before the accounting for duties and taxes, the licensee shall acknowledge the receipt of the goods in the sufferance warehouse by:

(a) endorsing the bill of lading, waybill or similar document presented by the carrier

(b) endorsing the customs document on which the goods were reported under the [Reporting of Imported Goods Regulations](#) or

(c) issuing a transfer document to the carrier.

70. By acknowledging receipt, the licensee accepts responsibility for the applicable duties and taxes on the imported goods.

71. Failure to transmit the WACM may result in a penalty assessed under the Administrative Monetary Penalties System (AMPS).

72. The licensee may not refuse goods that qualify under the terms of their licence; except, if storage is being requested by or on behalf of a person who has unpaid storage fees at the warehouse.

Electronic Communication with the CBSA

73. Licensed warehouse operators must transmit data using the CBSA's EDI systems. Before initiating the application process (outlined below), warehouse operators must have a valid warehouse operator license.

Application to Transmit Electronic Data to the CBSA

74. Warehouse licensees using EDI are required to complete an application form and submit it to the [Technical Commercial Client Unit \(TCCU\)](#).

75. EDI clients may choose to transmit their own data to the CBSA or they may choose to use a service provider. For more information on how to apply to participate consult the [Electronic Data Interchange/ Portal Clients](#) website.

76. For all enquiries related to any problems with electronic transmission of data and the related application process, please contact the [TCCU](#):

Email: tccu-ustcc@cbsa-asfc.gc.ca

Telephone: **1-888-957-7224**

Option 1 for EDI transactions /

Option 2 for Technical Portal Assistance (Canada or US)

1-613-946-0762 for overseas callers

77. For more information on how to apply to participate, methods of electronic communication and general information on EDI visit the [Electronic Data Interchange/Portal Clients website](#).

Record Keeping – Open and Closed

78. Under [section 3.1\(a\) of the Imported Goods Records Regulations](#), licensees must maintain an open and a closed file for all imported goods delivered to and removed from the warehouse.

79. The CBSA document used to report the goods into the warehouse, such as the licensee's copy of [Form A8A, Cargo Control Document](#) or equivalent; or an electronic copy or confirmation of a Warehouse Arrival Certification Message, must be kept on an open file until an acquittal is received from the CBSA authorizing the removal of the goods from the warehouse.

80. Upon receipt of one of the following the sufferance warehouse licensees may release goods from their warehouse.

(a) A stamped original, facsimile, or the scanned CBSA delivery authority copy of the CCD or

(b) A Release Notification System (RNS) message received directly from the CBSA system as an RNS participant or received through the intermediary of a dedicated service provider.

- (c) A deconsolidation notice received directly from the CBSA system, or a copy of a deconsolidation notice received from a freight forwarder or carrier. Refer to Customs Departmental Memorandum [D3-3-1 Freight Forwarder Pre-arrival and Reporting Requirements](#) for additional information.
- (d) An Advance Commercial Information (ACI)/eManifest Notices released notice or CSA Authorized to Deliver notice received directly from the CBSA system as a D4 participant or through the intermediary of a dedicated service provider.

Warehouse operators wishing to receive the deconsolidation notice, the release notice or the CSA authorized to deliver notice should refer to the [Electronic Commerce Clients Requirements Document, Chapter 11, Advance Commercial Information \(ACI\)/eManifest Notices](#) for additional information. Although not mandatory, the CBSA strongly encourages warehouse operators to sign up to receive these notices.

A deconsolidation notice is an electronic notice sent from the CBSA. The deconsolidation notice serves as electronic notification to the warehouse operator to allow the freight forwarder to take control of the goods within the consolidation. For more information in the deconsolidation notice, see [D3-3-1 – Freight forwarder pre-arrival and reporting requirements](#)

When house bills transmitted for back to back shipments or buyers consolidations and are destined to a non-deconsolidating sufferance warehouse, the deconsolidation notice will be suppressed until all house bills in the consolidated shipment have been released by the CBSA.

The deconsolidation notice is an important tool for warehouse operators to know the status of consolidated shipments in their warehouse. Warehouse operators, freight forwarders and carriers must sign up to receive the deconsolidation notice, by contacting the [Technical Commercial Client Unit](#).

81. Those responsible for preparing [Forms A10](#) or house bills will provide the licensee with the licensee's copies of the documents. These documents must be kept on the open file until the CBSA authorizes removal of the shipments.

82. When the master cargo control document is acquitted by freight forwarders' house bills, that is 8000 series advice notes, or by [Forms A10, Cargo Control Abstract](#), the acquittal copy of the master cargo control document must be returned to the licensee with a notation showing the number of house bills or abstracts issued for the shipment. The master cargo control document must be kept on the open file until copies of all 8000 bills or Forms A10 are received. All documents must then be filed in the closed file. Licensees may accept a print out of an electronic house bill for their file. More information on these forms can be found in [Memorandum D3-1-1, Policy Respecting the Importation and Transportation of Goods](#).

83. Release notification for certain types of shipments, for example bulk mail, will continue to be paper-based as they are not processed through the Accelerated Commercial Release Operations Support System (ACROSS) and no RNS is generated. Other exceptions include sufferance warehouses located at a true non-terminal office (i.e. not automated for release in ACROSS) where RNS is not possible; and Type SH sufferance warehouses that are used exclusively for the storage of used household goods and personal effects.

84. The licensee must keep records of release documents or data in a closed file for possible future reference and audit. Records must be kept for six years from the date that the goods were removed from the warehouse and be stored at the sufferance warehouse facility. Licensees wishing to store their records at another location must obtain permission from the CBSA district manager. Records may be electronically imaged or microfilmed provided the conditions in [Memorandum D17-1-21, Maintenance of Records in Canada by Importers](#) are met.

85. 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.

Alteration of Goods

86. To facilitate the removal of goods from a sufferance warehouse for further transport, under the Regulations, the licensee may request approval from the local CBSA office to manipulate, unpack, pack, alter or combine with other goods while in a sufferance warehouse only for the purpose of:

- (a) stamping the goods, if the goods consist of imported raw leaf tobacco or imported tobacco products that are placed in the sufferance warehouse in accordance with section 39 of the [Excise Act, 2001](#)
- (b) marking the goods, if the goods consist of special containers of spirits or wine, imported by an excise warehouse licensee, that are placed in the sufferance warehouse in accordance with section 80 or 85 of the [Excise Act, 2001](#) or
- (c) marking the goods, if the goods consist of goods in respect of which any regulations made under paragraph 19(1)(a) of the [Customs Tariff](#) apply.

87. Each request must be approved by the local CBSA office.

Storage of Firearms and Other Weapons

88. Under the [Firearms Act](#), a sufferance warehouse licensee will be required to possess a carrier licence or a business firearms licence and submit this with their application to the CBSA in order to store firearms, prohibited ammunition, prohibited devices or prohibited weapons. The Registrar of Firearms is responsible for issuing carrier licences, and the Chief Firearms Officer of the province or territory where the business will operate is responsible for issuing business firearms licences. Further information on these licences is available on the Royal Canadian Mounted Police, Canadian Firearms Program Website at www.cfc-cafc.gc.ca.

89. Firearms, prohibited ammunition, prohibited devices and prohibited weapons are required to be stored according to the [Storage, Display and Transportation of Firearms and Other Weapons by Businesses Regulations](#). The requirements in these Regulations must be applied in addition to current CBSA requirements. To ensure officer safety, the CBSA requires that firearms, prohibited ammunition, prohibited devices and prohibited weapons and their components be securely locked up while in a sufferance warehouse.

90. The licensee is responsible for immediately informing the CBSA if the office of the Registrar or the Chief Firearms Office revokes their carrier licence or a business firearms licence. [Memorandum D19-13-2, Importing and Exporting Firearms, Weapons, and Devices](#), the [Customs Tariff](#), [Criminal Code](#), [Firearms Act](#), and [Export and Import Permits Act](#) provide general information for the importation and exportation of firearms, weapons, ammunition and prohibited devices.

Time Limits

91. Time limits for goods stored in a sufferance warehouse are prescribed in the [Customs Sufferance Warehouses Regulations](#). Goods stored in a sufferance warehouse, which have not been removed from the warehouse within 40 days after the day the goods were reported under the [Customs Act](#), may be removed and deposited in a place of safekeeping.

Exceptions

92. Perishable goods, which have not been removed from a warehouse within 4 days after the day of being reported, may be deposited in a place of safekeeping.

93. Prescribed substances within the meaning of the [Nuclear Safety Control Act](#) or prescribed items within the meaning of the [General Nuclear Safety and Control Regulations](#), which have not been removed within 14 days after the day of being reported, may be deposited in a place of safekeeping.

94. Firearms, prohibited ammunition, prohibited devices, prohibited or restricted weapons and tobacco products are of a prescribed class that are forfeited if they are not removed from a sufferance warehouse within 14 days after the day they were reported.

95. Spirits are of a prescribed class that are forfeited if they are not removed from a sufferance warehouse within 21 days after the day the goods were reported.

96. Further information on the storage of goods can be found in [Memorandum D4-1-5, Storage of Goods](#). Information on the extension of time limits can be found in [Memorandum D4-1-7, Extension of Time Limits for the Storage of Goods](#).

Place of Safekeeping

97. The following locations may be designated as a place of safekeeping pursuant to section 37.1 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.

Unclaimed Goods

98. Under the [Customs Sufferance Warehouses Regulations](#), licensees must provide the CBSA with a list of all goods that are not removed from the sufferance warehouse within the time limits specified above. The list must be provided on the first business day following the end of the specified time limits. Imported goods remaining in the warehouse beyond the specified time limits will be recorded by the CBSA as unclaimed and will be subject to disposal under the [Customs Act](#).

Geographic Boundaries and Minimum Volume Thresholds to Open and Close a Sufferance Warehouse

99. Recognizing that the CBSA regions across Canada have unique operational requirements, decisions by the CBSA to open new SW facilities or close existing facilities should continue to be considered on a case-by-case basis, taking into account the existing needs of the client balanced against the availability of CBSA personnel to service the location.

100. Specific criteria on minimum volume thresholds and maximum distances are not defined by the CBSA and cannot be standardized on a national basis. Local CBSA officials will continue to apply their discretion in the application of volume and distance thresholds, and strive to ensure consistency in their decisions to licence new SW facilities or close existing facilities, based on their local needs.

Types of Sufferance Warehouses

101. There are five main types of sufferance warehouses: A, B, C, S, and PS.

Type A – General Merchandise

102. An airline, marine, or railway company can operate a Type A sufferance warehouse. This type of warehouse is used for storing imported goods carried in the company's system. A Type A warehouse may also be operated by a cargo handler acting under contract as an exclusive agent of an airline, marine, or railway company. Type A sufferance warehouses also include those located at a marine wharf and operated by a harbour commission, stevedoring company, or other person who provides equipment, personnel, and other services for unloading and storing imported goods arriving by vessel. Type A warehouses are classified into the following sub-types:

AA

airline company;

AM

marine company;

AR

railway company including rail yards and bond tracks;

AH

cargo handler for any of the above; and

AW

harbour commissions, stevedoring companies, and others.

Air Sufferance Warehouses

103. Air carriers must apply to operate a Type AA sufferance warehouse for receiving general merchandise arriving by air if the facility is located on airport property and if the CBSA provides service for receiving commercial shipments at the airport.

Cargo Handler Warehouses

104. Specific carriers may contract the services of a cargo handler to handle their imported freight. In these cases, the cargo handler is subject to the same rules and regulations as the carrier.

105. A cargo handler must meet the following conditions for approval to operate a Type AH sufferance warehouse:

- (a) the cargo handler must act as the exclusive agent for the carrier. Exclusive agent means one cargo handler per carrier within the area of the CBSA office;
- (b) a copy of the cargo handling contract containing information as presented in [Appendix A](#) is submitted to the CBSA with the application;
- (c) the cargo handler owns or leases the warehouse facility. If the facility is leased, the CBSA may request a copy of the lease agreement; and
- (d) shipments transported by the carrier and consigned to deconsolidators and freight forwarders must be transferred through the cargo handler's warehouse.

106. Cargo handlers may not operate as a consolidator, deconsolidator, or freight forwarder. However, they may provide a cargo handling service on behalf of consolidators, deconsolidators, and freight forwarders if they have a written agreement to do so. When requested, cargo handlers must provide a copy of the agreement to the CBSA.

107. The CBSA must be given copies of any amendments to the cargo handling contract and, if applicable, confirmation that the contract has been renewed.

108. Cargo handlers must advise the CBSA in writing when a contract is terminated. The sufferance warehouse licence may be cancelled if the cargo handler does not have a cargo-handling contract with a carrier.

Rail Sufferance Warehouses

109. Railway carriers must apply for a Type AR rail sufferance warehouse licence for each company yard in the area of a CBSA office where vehicles containing imported goods are held until the CBSA releases the goods. Specific tracks within the yard may be designated for this purpose.

110. If warehouse facilities are not available within the company yard, the CBSA may ask the railway carrier to relocate a shipment to a suitable designated area for examination. If there is no suitable area within the company yard, the shipment will be relocated to a sufferance warehouse.

Sufferance Warehouse Requirements and Restrictions

111. **Requirements and restrictions for the operation of warehouse types AA, AM, AR, AH and AW are :**

- (a) Warehouse Type: AA

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: air; rail (export only); marine (export only);
 highway (export only)
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region
 Other restrictions: located on-site at airport

- (b) Warehouse Type: AM

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: marine; air (export only); rail (export only);
 highway (export only)
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region
 Other restrictions: may store intact containers for export only

(c) Warehouse Type: AR

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: air, rail, marine, highway
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site at the discretion of the region
 Delegated licensing authority: region

(d) Warehouse Type: AH

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: air; rail (export only); marine (export only)
 highway (export only, transborder)
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region
 Other restrictions: located on-site at airport/exclusive agent for the carrier

(e) Warehouse Type: AW

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: marine; air (export only); rail (export only);
 highway (export only)
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region
 Other restrictions: may store intact containers for export only.

Type B – General Merchandise

112. A Type B sufferance warehouse is used to store imported goods that arrive by highway in commercial vehicles. Type B warehouses are classified into the following sub-types:

BW

for imported goods deposited by highway carriers;

BL

operated by highway carrier;

BL Off-site

operated by highway carriers for containerized freight only.

Highway Sufferance Warehouses

113. The CBSA restricts the number of Type BW highway sufferance warehouses to one within the area of a CBSA office. However, the CBSA may consider licensing additional warehouses under the following conditions:

- (a) the volume of commercial highway traffic processed at the CBSA office exceeds 40,000 shipments a year over a sustained period as determined by the Minister;
- (b) the CBSA is able to provide service to the newly proposed facility; and
- (c) the applicant demonstrates the ability to attract enough shipments to justify providing a CBSA officer on a full-time basis.

114. The CBSA will not normally approve a licence to operate a Type BW sufferance warehouse for receiving general merchandise arriving by commercial vehicles at border locations as they are already serviced by frontier examining warehouses. Exceptions may be made if the frontier examining warehouse is unsuitable for storing and examining commercial shipments or if the volume of traffic justifies licensing a highway sufferance warehouse. Exceptions can only be made if the CBSA is able to provide service.

115. If the Minister determines that a new or an additional Type BW sufferance warehouse is required, applications will be invited through the issuance of a Customs Notice issued by the region. All applications must be submitted on [Form E400B, Application for Licence to Operate a Customs Highway Sufferance Warehouse](#), to the CBSA office indicated in the advertisement.

116. The CBSA will issue a licence to the successful applicant once all requirements are met and advise all applicants in writing of the Minister's decision.

117. Once a Type BW licence has been issued in an area, the CBSA will not consider applications for additional sufferance warehouse licenses for at least two years unless otherwise directed by the Minister.

Type BL

118. Type BL sufferance warehouses are operated by a bonded highway carrier leasing space within a BW warehouse to store imported goods carried in the bonded highway carrier's system, such as goods carried under the carrier code assigned by the CBSA.

Type BL Off-Site

119. Type BL off-site sufferance warehouse licences are issued if the following conditions are met:

- (a) the cargo is transported in containers;
- (b) appropriate container lifting equipment is available at the warehouse. This equipment must have the capability of lifting on and off 6 and 12 meter (20 and 40 foot) containers, up to a maximum weight of 45,360 kilograms (100,000 pounds);
- (c) the Type BW sufferance warehouse in the area lacks adequate equipment or space to ground the containers;

- (d) the off-site warehouse is within a reasonable distance of the CBSA office or Type BW highway sufferance warehouse, as determined by the CBSA;
- (e) if the CBSA wishes to examine goods, the carrier must return them to a Type BW highway sufferance warehouse. A separate written agreement is required between each Type BW highway sufferance warehouse licensee and each off-site warehouse; and
- (f) all other applicable licensing requirements as specified in this memorandum are met.

120. Requirements and restrictions for the operation of warehouse types BW, BL and BL Off-site are:

(a) Warehouse Type: BW

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: rail, marine, highway
 Deconsolidation/consolidation: no
 Application type: E400B
 Serviceability: on-site
 Delegated licensing authority: HQ
 Other restrictions: public facility – one per port

(b) Warehouse Type: BL

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: highway
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region
 Other restrictions: located on-site at BW

(c) Warehouse Type: BL Off-site

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: highway
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site at the discretion of the region
 Delegated licensing authority: region
 Other restrictions: containerized freight only

Type C – General Merchandise

121. Type C sufferance warehouses are operated by a third party for the storage, deconsolidation and sorting of imported shipments. They are also used for the consolidation of shipments according to their destination. Type C sufferance warehouses are classified into the following sub-type:

Type CW

122. Type CW Warehouses are operated by a consolidator, deconsolidator, bonded freight forwarder or customs broker.

123. A Type CW sufferance warehouse licence will be issued if the applicant meets all of the regulatory requirements including volume of business, financial stability, physical structure, and location of the building. The CBSA may reject any application if the proposed facility is not located within a reasonable distance of locations where CBSA commercial service is currently provided, as determined by the CBSA. The application may also be rejected if the CBSA determines that providing service to the proposed facility will adversely affect service levels at other approved locations.

124. At locations where the CBSA will provide service on a full-time basis, the applicant must be prepared to fund the installation and maintenance of any technological equipment and/or updates as required by the CBSA.

125. Regional officials will determine where release documents will be processed in their region.

126. The CBSA may consider an application for a licence to operate a Type CW sufferance warehouse that is not located on airport property if the CBSA is able to provide service. Approval is also subject to the following conditions:

- (a) each CBSA region will decide if there is a need to place geographical restrictions on the location of off-airport warehouses
- (b) where the CBSA is unable to provide service directly to these off-airport warehouses, operators must make arrangements, subject to the CBSA approval, with an existing sufferance warehouse to handle the goods requiring CBSA examination and
- (c) regional CBSA officials will determine where release documents will be processed in their region.

127. **Requirements and restrictions for operating a type CW sufferance warehouse are:**

- (a) Warehouse Type: CW

Delivery requirement: direct delivery – no. Exceptions to this are overland movement, transborder and in-transit sea-air direct. In addition direct delivery may also be authorized in the situations referenced in paragraph 128.

Commodity type: general merchandise

Mode: air, rail, marine, highway

Deconsolidation/consolidation: yes

Application type: E400C

Serviceability: on-site at the discretion of the region

Delegated licensing authority: region

Other restrictions: operated by a third party for storage/consolidation/deconsolidation/sorting.

128. Consolidated shipments consigned to a freight forwarder and reported by the primary carrier at the First Point of Arrival (FPOA), may be authorized by the CBSA to move directly to the freight forwarder CW type, sufferance

warehouse sub-location warehouse code that is indicated on the cargo information provided by the primary carrier, under the following conditions:

- (a) The reporting carrier pre-arrival cargo information will include: the freight forwarder as consignee and the consolidation indicator as "Y"; and
- (b) The pre-arrival secondary house bill information is on file and in a reported status at the FPOA; and
- (c) The reporting carrier is bonded (where applicable), and maintains liability for the goods reported until a transfer of liability has taken place at the destination warehouse; and
- (d) The sufferance warehouse operator receiving the cargo transmits an electronic Warehouse Arrival Certification Message (WACM) as defined in Section 14 of the [Customs Sufferance Warehouses Regulations](#); and
- (e) The CW type sufferance warehouse is able to receive the electronic Deconsolidation Notice from the CBSA.

129. A hold at the first point of arrival (FPOA) supersedes an authorization to move that may be granted by the CBSA. Where a hold for a health, safety and security (HSS) examination is placed on the shipment, the shipment will be held at the primary sufferance warehouse at the FPOA. In the highway and rail modes, this will be the designated commercial office or First Place of Operational Intervention (FPOI), as applicable. Movement beyond the primary sufferance warehouse at FPOA, the designated commercial office or FPOI will not be allowed unless authorized by the CBSA.

130. Where there is a change in the carrier who is transporting the in-bond shipment, a new CCD with a new CCN i.e. a manual paper re-manifest must be presented to the CBSA for approval before the goods are allowed to proceed to the destination sufferance warehouse. The information on the re-manifest must match the information on the original cargo transmission and include the warehouse sub-location code.

Type S – Specific Classes of Goods

131. A Type S sufferance warehouse is one operated by a person or persons for the storage of specific classes of imported goods arriving by any mode of transportation. Type S sufferance warehouses are classified into the following sub-types:

SF

perishable goods, e.g. fruits and vegetables, fresh meat, fish, poultry, flowers, human plasma, etc.

SH

used household goods and personal effects;

SL

provincial liquor jurisdictions;

SO

other specific classes of goods as specified on the warehouse licence. Some examples include bulk and liquid products, products used in the oil drilling industry, and lumber.

SO (CSA) – EDI-LTL

goods transported by CSA carriers.

Type SO – (CSA) Sufferance Warehouses

132. A type SO (CSA) Sufferance warehouse will be issued if the applicant meets the regulatory requirements, as well as the requirements of the CSA program. See [Memorandum D23-2-1, Customs Self-Assessment Program for Carriers](#) for information on CSA program requirements. If the CBSA is unable to provide service directly to these warehouses, operators will be required to backhaul shipments requiring examination to an existing sufferance warehouse. When a backhaul arrangement is being used, the applicant will not be required to meet the examination requirements outlined in section 11(b), and (c) of the [Customs Sufferance Warehouses Regulations](#). These arrangements are subject to approval by the CBSA. However, the CBSA may reject any application if the proposed facility is not located within a reasonable distance of locations where commercial service is currently provided, as determined by the CBSA.

133. Requirements **and restrictions for operating warehouse types SF, SH, SO and SO (CSA)** are :

(a) Warehouse Type: SF

Delivery requirement: direct delivery permitted
 Commodity type: perishable goods, e.g. fruits and vegetables, fresh meat, fish, poultry, flowers, human plasma, etc.
 Mode: air, rail, marine, highway
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region

(b) Warehouse Type: SH

Delivery requirement: direct delivery permitted
 Commodity type: household goods and personal effects
 Mode: air, rail, marine, highway
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: region

(c) Warehouse Type: SL

Delivery requirement: direct delivery permitted
 Commodity type: specific
 Mode: air, rail, marine, highway
 Deconsolidation/consolidation: yes
 Application type: E400
 Serviceability: on-site
 Delegated licensing authority: Headquarters
 Other restrictions: operated by Provincial liquor jurisdictions

(d) Warehouse Type: SO

Delivery requirement: direct delivery permitted
 Commodity type: specific commodities, including bulk and liquid products, products used in the oil drilling industry, and lumber
 Mode: air, rail, marine, highway
 Deconsolidation/consolidation: no

Application type: E400
 Serviceability: on-site
 Delegated licensing authority: Headquarters

(e) Warehouse Type: SO (CSA)

Delivery requirement: direct delivery permitted
 Commodity type: specific
 Mode: highway
 Deconsolidation/consolidation: no
 Application type: E400
 Serviceability: on-site at the discretion of the region
 Delegated licensing authority: Headquarters
 Other restrictions: CSA carrier/EDI-LTL

Type PS – Private Railway Siding

134. Type PS sufferance warehouses are railway sidings owned or operated by an importer where carloads of imported goods are held pending release by the CBSA.

135. The following conditions must be met before an application to operate a Type PS private railway siding will be approved:

- (a) the location is within an area serviced by the CBSA;
- (b) the CBSA is able to provide service; and
- (c) full carloads are shipped on one rail cargo control document and the goods are consigned to the importer with the private siding privilege.

136. For Type PS warehouses, you must submit your application with the following:

- (a) a site plan of the property showing the location of the siding within the company yard;
- (b) a letter confirming that full carloads will be shipped on one rail cargo control document and that the goods will be consigned to the importer with the private siding privilege; and
- (c) security as required under paragraph 4(1) of the [Customs Sufferance Warehouses Regulations](#) or confirmation that security will be provided upon receipt of the licence.

137. The section regarding *Subleasing a Sufferance Warehouse*, [paragraphs 38-42](#) of this document as well as *Building Requirements*, [paragraphs 56-59](#), and *Building Modifications*, [paragraphs 60-62](#), do not apply to private railway sidings. The application process and other requirements for licensing PS type sufferance warehouses can be found elsewhere in this memorandum.

138. Requirements and restrictions for operating warehouse Type PS are:

(a) Warehouse Type: PS

Delivery requirement: direct delivery permitted
 Commodity type: general merchandise
 Mode: rail
 Deconsolidation/consolidation: no

Application type: E400
Serviceability: on-site
Delegated licensing authority: region
Other restrictions: operated by importers

139. In all cases where the CBSA does not provide on-site service for examinations, operators will be required to make arrangements, subject to CBSA approval, with an existing sufferance warehouse for the handling of goods requiring examination.

Penalty Information

140. A sufferance warehouse licensee is responsible to the Government of Canada for the safekeeping of all goods stored in the warehouse pending their entry into the economy of Canada or lawful removal. The licensee is liable for all duties and taxes assessed on the goods unless the licensee can produce the goods or show to the satisfaction of CBSA officials that the goods have been duly entered into Canada, lawfully removed from the warehouse, or destroyed while in the warehouse.

141. Licensees will be subject to penalties under the [Customs Act](#) for failing to meet regulatory requirements. For more information on the Administrative Monetary Penalty System (AMPS), please refer to [Memorandum D22-1-1, Administrative Monetary Penalty System](#). For a listing of Administrative Monetary Penalties please see CBSA's [Master Penalty Document](#) available on the CBSA website at www.cbsa.gc.ca.

Monitoring and Warehouse Checks

142. The CBSA monitors licensed sufferance warehouse facilities on an ongoing basis and conducts periodic warehouse checks to make sure the facility continues to meet all regulatory and program requirements. The CBSA will suspend or cancel the licence of licensees whose facilities, equipment, or accommodation do not meet the regulatory or operational requirements. The CBSA advises licensees in writing of licence suspensions or cancellations and allows a reasonable period of time to correct deficiencies.

Additional Information

143. For more information, within Canada call the Border Information Service at 1-800-461-9999. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time/except holidays). TTY is also available within Canada: 1-866-335-3237.

APPENDIX A

Cargo Handling Contract

Import Cargo

1. Offload bulk cargo from vehicles when applicable.
2. Break down and/or empty unit load devices, e.g., pallets, containers.
3. Check incoming cargo against document(s).
4. Sort and store import cargo for a period to be mutually agreed upon and in accordance with CBSA requirements.
5. Place cargo under CBSA control, clearing discrepancies in accordance with CBSA requirements.
6. Notify consignee/agent of arrival in accordance with the carrier's instructions and in accordance with CBSA requirements.
7. Provide facilities for collection of collect charges.
8. Take action in accordance with the carrier's instructions where the consignee refuses to accept the shipment.

Cargo Services

9. Clear cargo through CBSA in accordance with the instruction(s) of the carrier's clients and in concurrence with CBSA requirements.
10. Store cargo in accordance with CBSA requirements.

Transfer Cargo

11.
 - (a) Offload bulk cargo from vehicles.
 - (b) Break down and/or empty unit load devices, e.g., pallets, containers.
 - (c) Check incoming cargo against document(s).
12. In accordance with CBSA requirements put cargo under CBSA control, clearing discrepancies.
13.
 - (a) Sort and
 - (b) Store transfer cargo for a period to be mutually agreed upon prior to dispatch in accordance with the nature of goods and the routing of the cargo.
14. Provide essential equipment and storage facilities for special cargo for example perishables, live animals, valuables, news films, and other special items.
15. Prepare transfer manifest(s) for cargo to be transported by another carrier.

16. Provide transport to the warehouse of the receiving carrier, for transfer cargo under cover of a transfer document or any other document required by the CBSA.

Export Cargo (where applicable)

17. Provide accommodation and services for acceptance of cargo and ensure adequate control that shipments and documents when delivered for transportation by shipping either directly or through the intermediary of carrier's agent are made "ready for carriage," any irregularity to be reported to the carrier.

18. In accordance with CBSA requirements, put cargo under CBSA control.

19. (a) Sort and

(b) Store export cargo for a period to be mutually agreed upon prior to dispatch in accordance with the nature of goods and the routing of the cargo.

20. Tally and assemble for dispatch by weight and volume cargo up to capacity available on the carrier's vehicles.

21. Prepare for delivery onto vehicles:

(a) Bulk cargo and

(b) Unit load devices, e.g., pallets, containers.

22.

(a) Prepare cargo control documents.

(b) Split waybill/probill sets. Forward applicable copy of the cargo control document and waybills, probills as mutually agreed upon.

(c) Where applicable, return copy of the waybill/probill to the shipper endorsed with shipping details.

23. Obtain CBSA export clearance.

General

24. Present to CBSA, as required, cargo for physical examination.

25. Deal with lost, found, and damaged cargo and report such irregularities to the carrier.

26. Notify the carrier of any complaints and claims made by the carrier's clients.

For Air Only

27. The cargo handler undertakes to convey and deliver documents between aircraft and appropriate airport buildings.

28. The cargo handler undertakes to provide transport for CBSA personnel from warehouse to aircraft and ramp area as and when required.

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	7795-0
Legislative References	<u>Customs Act</u> <u>Export and Import Permits Act</u> <u>Firearms Act</u> <u>Criminal Code</u> <u>Customs Tariff</u> <u>Excise Act, 2001</u> <u>Nuclear Safety Control Act</u> <u>General Nuclear Safety and Control Regulations</u> <u>Customs Sufferance Warehouses Regulations</u> <u>Storage of Goods Regulations</u> <u>Storage, Display and Transportation of Firearms and Other Weapons by Businesses Regulations</u> <u>Imported Goods Records Regulations</u> <u>Transportation of Goods Regulations</u>
Other References	<u>D1-2-1</u> , <u>D1-7-1</u> , <u>D3 Series</u> , <u>D4-1-5</u> , <u>D4-1-7</u> , <u>D17-1-21</u> , <u>D19-13-2</u> , <u>A8A</u> , <u>A10</u> , <u>D120</u> , <u>E400</u> , <u>E400B</u> , <u>E400C</u>
Superseded Memorandum D	D4-1-4 dated September 2, 2011