

QUALITY AUDITING INSTITUTE LTD.

**VEHICLE IMPORTATION
PROGRAM PROCEDURES AND
GUIDELINES**

TABLE OF CONTENTS

1	Introduction.....	3
2	Processing the Importation	4
2.1	Broker Process	4
2.1.1	Document Check.....	4
2.1.2	Pre-Clearance Check.....	4
2.1.3	Tax Collection	4
2.1.4	Form 1.....	4
2.1.6	Canada Customs Coding Form (B3-3)	4
2.1.7	Document Presentation.....	5
2.2	Manufacturer Process.....	5
2.2.1	Canada Customs Invoice (CI1)	5
2.2.2	Dealer/Commercial Invoice	5
2.3	Special Notes	5
2.3.1	Parts.....	5
3	New Vehicle Information Statement (NVIS).....	6
4	NAFTA Certificate of Origin (B232)	6
5	Questions.....	6
	APPENDIX A	7
	APPENDIX B – QAI’s Information.....	7

1 Introduction

This is the 8th revision of this document. Technical changes to this document are noted by underlined text in red font.

This document outlines the procedures and guidelines to be used when importing a vehicle under QAI's pre-clearance status with Transport Canada. This document is designed to assist:

- Manufacturers exporting vehicles to Canada
- Brokers facilitating the importation of vehicles into Canada

QAI maintains pre-clearance status with a number of foreign manufacturers for the purpose of acting as the Designated Importer for that manufacturer. In context of the Motor Vehicle Safety Act (MVSA), the importer is the legal entity assuming responsibility for compliance of the imported vehicle with the Motor Vehicle Safety Regulations (CMVSS).

Manufacturers (and their admissible vehicles) for which QAI will act as the designated importer are shown on QAI's pre-clearance registration with Transport Canada. This registration may be found at: <http://wwwapps.tc.gc.ca/saf-sec-sur/7/pcl-lir/Search.aspx?>

2 Processing the Importation

2.1 Broker Process

Where a broker receives a request to import a vehicle, the following process should be followed:

2.1.1 Document Check

- Ensure that all necessary documents (described below) have been supplied by the manufacturer:
 - Canada Customs Invoice (CI1: *Consignee* is the dealer, *Purchaser* is QAI)
 - New Vehicle Information Statement (NVIS)
- Ensure that the B232 NAFTA Certificate of Origin has been supplied by QAI
- Ensure that no additional documentation beyond that which is normally supplied by the broker is submitted to the CBSA

2.1.2 Pre-Clearance Check

- Ensure that both the manufacturer and vehicle types to be imported are included in QAI's pre-clearance registration with Transport Canada. This registration is viewable at: <http://www.wapps.tc.gc.ca/saf-sec-sur/7/pcl-lir/Search.aspx?>

2.1.3 Tax Collection

- Taxes for the importation should be charged to the consignee shown on the CI1
- In an official ruling dated December 8, 2011, the CRA has confirmed that the dealers are the only entities capable of claiming the import tax credit (ITC)

2.1.4 Form 1

- The Form 1 should be completed as follows:
 - Box 14: Completed using QAI's information
 - Box 15: Completed using the foreign manufacturers information
 - Box 16: Check box 16a
 - Box 17: DO NOT USE this section

2.1.6 Canada Customs Coding Form (B3-3)

- The following information should appear on the B3-3
 - Box 1 (Importer): Enter QAI's information including importer number
 - Box 11 (Vendor): Enter the manufacturer's information

2.1.7 Document Presentation

- Submit documentation to the CBSA prior to the shipment reaching the border, as you normally would. Do not submit any documentation in addition to the required documents.
- Submit a copy of the completed importation documents to QAI (Form 1, CI1 and B3-3)

2.2 Manufacturer Process

Where a manufacturer receives an order from a Canadian entity, the following process should be followed:

2.2.1 Canada Customs Invoice (CI1)

- The CI1 should be completed as indicated in the memorandum D1-4-1 and as follows:
 - Section 4 (Consignee): Completed using the dealers information
 - Section 5 (Purchaser): Completed using QAI's information
 - Section 18: Provide the number for the invoice described in 2.2.2

2.2.2 Dealer/Commercial Invoice

- A separate copy of the dealer/commercial invoice should be provided to the broker, shipping company/entity and/or to the CBSA. The copy provided should **not** show a 'purchased by/purchaser' it should only show a 'ship to/consignee' company and address (that of the dealer).

2.3 Special Notes

Where special requests not covered in the above guidelines are made by the dealer please refer to this section or contact QAI for clarification.

2.3.1 Parts

- QAI does not import parts. As such, parts should not be included with any importation under QAI's name. Parts may be ordered and imported by the dealer (as they have been in the past) separately from this process.

3 New Vehicle Information Statement (NVIS)

The NVIS is the Canadian titling document and should be completed as follows:

- Vehicle: Include all vehicle information. Asterisked* items are mandatory.
- Manufacturer: Complete using the vehicle manufacturer's information
- Dealer: Complete using the dealer's information
- Purchaser: May be left blank
- Lessee: May be left blank

Note: The NVIS template is available for download at <http://www.qai.org/forms-literature-brochures.html> and should be completed by the manufacturer of the vehicle for each unit imported into Canada.

4 NAFTA Certificate of Origin (B232)

The NAFTA Certificate of Origin allows Canadian dealers to import American made product duty-free. It is in the best interest of the manufacturers to supply QAI with a completed NAFTA for all models at the beginning of each year. The document should be completed as shown in its instructions, and the following sections should be completed as follows:

- Importer: Complete using QAI's information
- Exporter: Complete using the manufacturer's information
- Producer: Complete using the manufacturer's information

Note: The NAFTA B232 template is available for download at the link below and should be completed by the manufacturer of the vehicle:

<http://www.cbsa-asfc.gc.ca/E/pbg/cf/b232/b232-eng.pdf>

5 Questions

Any questions regarding the procedures in this document should be directed to tcadmin@qai.org.

APPENDIX A

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APPENDIX B – QAI’s Information

(Available for download at <http://www.qai.org/forms-literature-brochures.html>)

Company Name:	Quality Auditing Institute, Ltd.
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