



**SUPPLIER INSTRUCTION HANDBOOK**  
**MEETING CANADIAN CUSTOMS REQUIREMENTS**

# SUPPLIER INSTRUCTIONS

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### CONTACT INFORMATION

Any questions regarding the procedures below should be directed to PPG Canada Inc, Logistics:

**Klara Siket**, Sr. Customs & Trade Specialist, e-mail: [siket@ppg.com](mailto:siket@ppg.com), Tel.: 905-404-6739 or

**Laurie Soles**, Supervisor, Logistics, e-mail: [soles@ppg.com](mailto:soles@ppg.com), Tel.: 905-404-4393 or

**James Howrylak**, Manager, Import Services, [howrylak@ppg.com](mailto:howrylak@ppg.com), Tel.: 412-434-2982

### INTRODUCTION

This handbook is designed to provide information to non-Canadian suppliers and PPG locations outside Canada (also called Related Parties) to ensure that import transactions meet the requirements of the Canada Border Services Agency (CBSA). PPG Canada (PPG) considers customs compliance a top priority and expects that all non-Canadian suppliers will adhere to the requirements established herein.

PPG, as the importer, is ultimately responsible for ensuring that all import transactions are handled in compliance with Canadian customs legislation; however, PPG cannot meet these obligations without the cooperation and commitment of our non-Canadian suppliers who export their shipments to Canada. If customs requirements are not met, the CBSA may impose Administrative Monetary Penalties (AMPS) against PPG and in some instances may also impose these penalties against the exporter (PPG supplier). The CBSA may assess monetary penalties for any one of the almost 250 contraventions of requirements and obligations stipulated in the *Customs Act*, the *Customs Tariff*, and the regulations under these Acts. (<http://cbsa-asfc.gc.ca/trade-commerce/amps/menu-eng.html>)

This handbook addresses basic requirements and responsibilities of suppliers with regards to shipments to PPG in Canada. Throughout the handbook, references to forms and appendices direct the supplier to details regarding different types of Canadian imports. The handbook should be used in conjunction with the accompanying documents, forms and CBSA publications. The handbook is a fundamental source of information but it does not address every issue. PPG will provide further assistance with specific issues not covered herein as needed.

This handbook does not provide legal advice. Readers should refer to Canadian customs legislation when questions of law arise and obtain private legal advice if a particular situation causes concern. Revisions and updates to the handbook will be issued as required.

Note: Canada Border Services Agency (CBSA)'s <http://cbsa-asfc.gc.ca/menu-eng.html> Internet website is another source of information; several addresses related to Technical Publications on the CBSA menu can be accessed in the text directly.

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### OVERVIEW OF CUSTOMS OBLIGATIONS

PPG suppliers have an obligation to ensure:

1. Proper import documentation is provided to PPG and/or to PPG's specified Customs Broker.
2. The transaction value for duty of all goods is properly determined.
3. The 10-digit Canadian tariff classification number is provided.
4. All imported goods are marked appropriately with the country of origin.
5. If goods are to be accorded NAFTA preferential tariff treatment, the NAFTA Certificate of Origin must be provided.
6. Proper records are provided to PPG and also maintained by the foreign supplier.

### KEY SUPPLIER RESPONSIBILITIES

#### 1. Import Documentation and Shipment Requirements

- All documentation provided to PPG or to PPG's agent must be in English or in French. Canada Customs requires that all invoices and supplemental declarations be in English or in French.
- PPG's specified Customs Broker must be notified of any shipment to Canada where PPG will act as the importer prior to the arrival of the shipment, in the form of an e-mail message, a fax or an electronic transmission. Broker notification is the responsibility of the commercial carrier by way of a cargo manifest, thus carrier should be advised of PPG's customs broker at the point of origin (pickup). See **Appendix A** for a list of PPG's approved Customs Brokers.

#### A. Documentation required for All Shipments

In order to meet CBSA requirements, a Customs/Commercial invoice demonstrating a sale to PPG must be created for all shipments. This requirement applies to all shipments where PPG acts as the importer of record, including shipments sent to a PPG location in Canada and shipments sent directly to PPG's customers.<sup>1</sup>

Each shipment must be accompanied by a properly completed Canada Customs Invoice (CCI) (**Form 1**), or a Commercial Invoice (CI) (**Form 2**). If the commercial invoice is used for customs clearance, it must contain all the elements of a customs invoice, including country of origin, currency of conversion and the customs tariff classification number.

Couriers' low value shipments (valued under \$1600.00 CAD) are accepted into a special clearance program by the CBSA, which involves immediate delivery and month-end customs accounting by the broker. Nevertheless, courier shipments require a properly completed customs or commercial invoice in compliance with CBSA requirements.

The data on the Customs/Commercial Invoice used for movement of the goods to Canada should correspond with the data on the financial invoice submitted to PPG for payment of the goods.

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<sup>1</sup> PPG is the "importer of record" where it is responsible for all duties and taxes on importation.

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The Customs Invoice must be in English (or in French) and must include the following information:

### Field Description:

- 1 **Supplier** - (seller, sold by, remit to, consignor, shipper) - Indicate the name and address of:
  - (a) the person selling the goods to the purchaser; or
  - (b) the person consigning the goods to Canada.
- 2 **Date of direct shipment to Canada** - Indicate the date the goods began their continuous journey to Canada.
- 3 **Bill of lading number** or other references, e.g. commercial invoice number, PPG Purchase Order Number, vendor's sales order number.
- 4 **Consignee** - (ship to, deliver to) – PPG business name and complete address, or PPG's customer's name and complete address in Canada to whom the goods are shipped.
- 5 **Purchaser's name and address** - (sold to, buyer) – PPG business name and complete address in Canada under which the sales transaction is being recorded.
- 6 **Country of transshipment** - The country through which the goods were shipped in transit to Canada under customs control, if applicable.
- 7 **Country of origin of goods** - The country of origin of invoiced goods is the country where the goods are grown, produced, or manufactured.
- 8 **Transportation:** Give mode and place of direct shipment to Canada.
- 9 **Conditions of sale and terms of payment** - Describe the terms and the conditions agreed upon by the supplier and the purchaser using INCOTERMS 2010.
- 10 **Currency of settlement** - Indicate the currency in which the supplier's demand for payment is made.
- 11 **Number of packages** - Indicate the number of packages.
- 12 **Specification of commodities** - The following information must be provided:
  - a) **Kind of packages** - Indicate the kind of packages (e.g., cases, cartons).
  - b) **Marks and numbers** - Indicate the descriptive marks and numbers imprinted on the packaged goods. The marks and numbers must be legibly placed on the outside of all packaged goods if possible.
  - c) **General description and characteristics** - Give, in general terms, a complete description of the merchandise (e.g., textiles, auto parts) and show a proper identifying description in commercial terms (i.e., style or code numbers, size, and dimensions) as known in the country of production or exportation. [It is insufficient to provide only a part number description.]
  - d) **10-digit Harmonized System Tariff classification** for the goods shipped, together with the **PPG part number** [See Tariff Classification requirements for information on completing this field.]
- 13 **Quantity** - Indicate the quantity of each item included in the description field and the appropriate **unit of measure**.
- 14 **Unit price** - (price per article, item amount) - Provide a value in the currency of settlement (as defined under Field 10) for each item described in the description field.
- 15 **Total** - Indicate the price paid or payable in the currency of settlement (as defined under Field 10) for the number of items recorded in the quantity field when they were sold by the supplier to the purchaser. For no-charge items or samples, a price “for customs purposes only” must be indicated.
- 16 **Total weight** - Show both net and gross weight, which correspond to weights on BOL.
- 17 **Invoice total** - (“total value”, “pay this amount”) - The total price paid or payable for goods described on the invoice or on the continuation sheet if used.
- 18 If any of fields 1 to 17 are included on an attached commercial invoice, check this box.

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- 19 **Exporter's name and address** - Indicate the name and address of the person shipping the goods to the consignee/purchaser.
- 20 **Originator** - Where the invoice is completed on behalf of a company, the company's name and address must be indicated. The name of the person completing the invoice may also be indicated. Invoices completed on behalf of individuals must indicate the name and address of the person completing the invoice. This field may be left blank if this information is provided elsewhere on the invoice.
- 22 – 25 **Value** - As described below (see **Supplier Responsibilities – Value for Duty**), it will be necessary to provide amounts for transportation, assists, export packing, royalties, etc on the customs invoice. Detailed information on the remaining sub-components of these fields can be found in Memorandum D13-4-7 Adjustments to the Price Paid and Payable <http://www.cbsa-asfc.gc.ca/publications/dm-md/d13/d13-4-7-eng.html>

Additional items may be required on the invoice if the goods qualify for special tariff treatment, e.g. if NAFTA treatment is required then a NAFTA certificate of origin must be submitted.

For further information on invoicing, see Customs Memorandum D1-4-1 <http://www.cbsa-asfc.gc.ca/publications/dm-md/d1/d1-4-1-eng.html>

### **B. Documentation Required for No Charge Shipments**

Samples or other items being shipped free of charge to the purchaser or customer in Canada must still be properly declared to CBSA. Price paid or payable must be shown the same as for charge items, with the inclusion of the following language: “Samples only, no commercial value, not for resale. Value for customs declaration purposes only.”

### **C. Documentation Required for Returned Goods**

All returned goods must be made in adherence with the approved PPG procedures. Canadian Goods Returned (the goods for which duties and taxes have previously been accounted for in Canada) are exempt from payment of duty and taxes again, under certain circumstances, and provided the customs invoice is properly completed and the required proof of previous exportation is obtained.

In order to be shipped under the special provisions for Canadian goods returned, the goods must meet one of the following two descriptions under the *Customs Tariff*:

#### **HS 9813.00.00.00**

Goods, including containers or coverings filled or empty, **originating in Canada**, after having been exported therefrom, if the goods are returned without having been advanced in value or improved in condition by any process of manufacture or other means, or combined with any other article abroad, under such regulations as the Minister may make. E.g., Goods made in Canada, exported to the United States and returned in the same condition to Canada.

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### HS 9814.00.00.00

Goods, including containers or coverings filled or empty, which have once been released and accounted for under section 32 of the Customs Act **(imported to Canada) and have been exported**, if the goods are returned without having been advanced in value or improved in condition by any process of manufacture or other means, or combined with any other article abroad, under such regulations as the Minister may make. E.g., Good made in Germany, imported and accounted for in Canada and subsequently exported the US, and now being returned to Canada. See Customs Memoranda D8-2-1, D8-2-10, D8-2-11 and D8-2-26.

When returning to Canada, the value declared on the Customs Invoice should match the value that was declared for the item when originally sold, or transferred by PPG, or be the fair market value of the item as determined by generally accepted accounting principles. The value of machinery or other capital goods may be depreciated based on acceptable accounting methods. A value must be assigned for each distinct returned Canadian good in the shipment and a Customs Invoice must be provided. Examples of returned goods that would qualify for special duty treatment under these provisions include the following scenarios:

- Repairs and replacements of damaged articles (equipment, machinery) by a foreign supplier, whether under warranty or otherwise
- Articles exported to a foreign customer, returning to the Canadian manufacturer for repair, replacement, overstock or simply unused stock. (i.e. the paint returned at the end of a season)
- Containers in shuttle, for which duty & taxes have been accounted for at the time of the first (original) importation. E.g. qualifying steel racks and paint totes parts of PPG's container bank registered with CBSA.

When handling a potentially Canadian Goods Returned scenario, foreign suppliers should contact PPG for detailed instructions and to ensure the proper legislation is quoted on customs documents.

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### 2. Value for Duty

The value of a sales transaction with PPG must be declared on the Canada Customs Invoice for each item sold and shipped to PPG or PPG's customer. The value for duty is based upon the price paid or payable for the goods being appraised. Certain adjustments, both additions and deductions, must be made to this price to arrive at the transaction value for duty. In addition to the price paid or payable for the goods, the CBSA requires that the following costs associated with imported products be itemized on the Customs Invoice, if applicable:

- **Selling commissions** – Commissions or brokerage to the seller's agent who is related to or controlled by, or works for or on behalf of the manufacturer or seller must be added to the value declared to CBSA. Fees paid or payable by PPG to his agent for the service of representing PPG abroad in respect of the sale need not be included.
- **Packing costs** (if not already included in the price paid for the goods) – The cost of all containers, coverings, materials, and labour associated with preparing a shipment for export to Canada must be added to the value declared to CBSA.
- **Assists** – An assist is any good or service supplied free or at a reduced cost by the purchaser for use in connection with the production and sale for export of the imported goods. The price paid or payable must be adjusted by adding the value of any of the following goods and services, that are supplied directly or indirectly, by PPG free of charge or at a reduced cost in connection with the production and sale for export of the goods, apportioned to the imported goods in a reasonable manner and in accordance with generally accepted accounting principles:
  - Materials, components, parts, and similar items provided by PPG and incorporated into the imported merchandise,
  - Tools, dies, molds, and other goods utilized in the production of the merchandise,
  - Any materials consumed in the production of the imported goods, and,
  - Engineering, development work, art work, design work, plans and sketches undertaken elsewhere than in Canada and necessary for the production of the imported goods, unless the work is:
    1. Performed while that person is domiciled within Canada.
    2. Performed while that person is acting as an employee or agent of PPG of the imported merchandiseOr incidental to other engineering, design work, artwork, or plans that were undertaken within Canada.
- **Royalties** - Royalties or license fees (including payments for patents, trade-marks and copyrights) that PPG must pay, directly or indirectly, as a condition of the sale of imported merchandise for exportation to Canada must be included in the customs value declared to CBSA. Ultimately whether a royalty or license fee is dutiable will depend upon (1) whether PPG Canada is required to pay the royalty as a condition of the purchase, and (2) to whom and under what circumstances the royalty is paid.
- **Subsequent Proceeds** - Any portion of the proceeds resulting from subsequent Canadian resale, disposal or use of imported goods, which accrues to the foreign supplier, directly or indirectly, must be added to the price paid or payable when determining the transaction value.
- **Internal Transportation costs** – The cost of transportation of, the loading, unloading and handling charges and other charges and expenses, and the cost of insurance relating to the transportation of the goods to the place within the country of export from which the goods are shipped directly to Canada must be included in the value for duty.
- **Cash, Term discounts** – These discounts are a refund of, or other decrease in, the price actually paid or payable made or otherwise effected between PPG and the seller after the date of importation of the merchandise into Canada.



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- **Transportation charges and Insurance for Export** should be shown on the Customs Invoice if they have been included in the price of the shipped goods. The cost of transportation and insurance relating to transportation of the goods from the place within the country of export from which the goods are shipped directly to Canada can be deducted from the value for duty. Reference should be made to whether the buyer or seller is responsible for items such as freight, insurance, customs clearance, and customs duties.
- **Technical Assistance** for assembly or construction of the imported goods in Canada can be deducted from the value for duty.
- **Duties and Taxes** – paid or payable by reason of the importation or sale of the goods in Canada, including customs duties and excise tax can be deducted from the value for duty.

The value for duty can be determined by disregarding any rebate of, or other decrease in, the price paid or payable for the goods that is effected after the goods are imported.

The value for duty is thus the price paid or payable for the goods, with the addition for costs originating in the country of export which increase the value of the product, and the deduction of costs originating in Canada which increase the value of the product.

Importers are responsible for the calculation and declaration of the value for duty of imported goods. The determination of value for duty must be based on “sufficient information” which supports the importer’s declaration. Therefore, the supplier must provide to PPG information sufficient to support the amounts claimed on the Canada Customs Invoice.

Further information on how to properly determine the value for duty can be found in CBSA Customs Memoranda D-13 series <http://www.cbsa-asfc.gc.ca/publications/dm-md/d13-eng.html>

### **No Charge Shipments**

All shipments must have a value assigned to each separate item in the shipment. The value declared on the invoice must reflect either the cost to acquire/produce the item incurred by the supplier or the normal retail cost.

Samples must have a properly declared value and include the following language on the commercial invoice:

“Samples only, no commercial value, not for resale. Value for customs declaration purposes only.”

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### 3. Tariff Classification of Goods

Each item imported into Canada must be classified according to Schedule I to Canada's *Customs Tariff* with a Canadian **ten-digit Harmonized System (HS) tariff number**. This tariff number specifically identifies to CBSA the type of good that is imported, and the duties and import taxes that are to be paid. Since May 3, 2004, it is mandatory to show a ten-digit HS number on the Customs Invoice. Proper tariff classification ensures PPG will not overpay customs duties. The supplier may request assistance from PPG's customs broker, CBSA or from PPG if they are unable to determine the appropriate tariff item number for the products being shipped.

To determine the proper tariff number is to have detailed product knowledge of the good, which includes an understanding of the materials used in its production, as well as the function of the good. Answering the following questions will assist in classification of the good:

- What is the product?
- What is the product made of?
- How will the product function?
- What are the principal and secondary uses of the product?
- What types of marketing claims will be made about the product relative to its attributes?
- Is the product a finished good or subassembly? If a subassembly, how is it incorporated into a finished product? Does it have a stand-alone function?
- Will the product, when imported, be packaged with other products for retail sale?
- How will the product be used in the country to which the product is being exported?

For the Canadian Customs Tariff, please follow the link <http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-eng.html>

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### **4. Country of Origin / Marking**

All goods imported to Canada must be marked to indicate the country of origin. PPG requires non-Canadian suppliers to substantiate the country of origin by documenting the country of origin for each article sold to PPG Canada on the Customs Invoice.

In general, the country of origin is the country in which the goods were substantially manufactured. This means the country where the major part of production or manufacturing took place. It will be necessary to consider the accumulated costs of material, labour and overhead when determining the proper country of origin for marking purposes.

### **Manner of Marking Goods**

In general, the marking of goods must clearly indicate the country of origin of the goods. The markings must be written legibly in English or French.

The marking of goods must be legible, sufficiently permanent, and capable of being easily seen during normal handling of the goods or their container. The country of origin may appear on the container only (point of sale packaging), if this is the manner in which the ultimate purchaser buys the good or the marking should appear on the individual articles.

All articles must be marked with the country of origin, with the following exemptions:  
Articles Incapable of being marked (bulk products)  
Crude Substances

### **Containers**

Containers must generally be marked with the country of origin of the article they hold. If the container originates from a different country than the product they carry, two origins must be stated in the following format: "Container made in" and "Product made in."

For further information, see Customs Memorandum D11-3-1 <http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-3-1-eng.html>

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### 5. North American Free Trade Agreement (NAFTA)

NAFTA, implemented by the Canadian, U.S. and Mexican governments, allows for reduced duty or duty elimination for qualified products. **NAFTA Rules of Origin** determine whether a product originates in the NAFTA territory, and so qualifies for NAFTA benefits. The **NAFTA Certificate of Origin** must be provided to support NAFTA preferential tariff treatment. The supplier is responsible for providing the NAFTA Certificate of Origin to PPG Canada via e-mail to [siket@ppg.com](mailto:siket@ppg.com) or fax.

It is the responsibility of the supplier to properly complete the NAFTA Certificate of Origin. A supplier who provides false information on a NAFTA Certificate of Origin could potentially receive an Administrative Monetary Penalty from the CBSA for failure to provide true, accurate, and complete information (Contravention C005). The NAFTA Certificate of Origin should not be generated without communicating with PPG about the details of the merchandise. The supplier is also responsible to notify PPG of changes that affect eligibility within 30 days of the change.

If your company is exporting the goods to Canada but is not the producer, you must obtain a NAFTA Certificate of Origin from the producer before completing the NAFTA Certificate of Origin being sent to PPG.

All fields of the NAFTA Certificate of Origin are important; the following instructions are provided because they require the extra attention of our suppliers.

**Field #5:** The description of the goods must be complete, accurate and state all details relating to the merchandise. It must correspond with the goods description on the Customs Invoice. The information for this field is based on PPG's purchase order and must contain the basic description of the goods and the PPG part number or other identifier where applicable. It is the supplier's responsibility to ensure the completeness of the description. No abbreviations should be used and an additional sheet detailing the goods should be attached if needed. References to a trade name alone are inadequate and must be avoided.

**Field #6:** The harmonized system (HS) classification tariff number used must be consistent with the long description and stated at the six-digit level. The selection of the tariff number should only occur after a knowledgeable person familiar with tariff classification has reviewed the details of the product.

**Field #7:** This field has six options designated by a letter: A - F. Each letter represents a criterion qualifying a good for benefits under NAFTA. **Criterion A** is only utilized if the goods are "wholly obtained or produced entirely" in a NAFTA country. This criterion should only be applied for raw materials, e.g. wood, produce, animals, etc. If any amount of production is involved in producing the good, this criterion should not be used. **Criterion B** represents goods that qualify based on a tariff shift and/or a value content analysis. This method is based on defined rules found in the Harmonized System (HS) classification contained in Canada's *Customs Tariff*. The methodology includes determining the tariff classification of the finished product as well as the raw materials. Certain calculations based on a specific formula might be needed in order to ensure that enough value was created in the claimed origin. **Criterion C** is used for goods when the good is produced entirely in the territory of one or more of the NAFTA countries exclusively from originating materials. Under this criterion, one or more of the materials may not fall within the definition of "wholly produced or obtained." For example, a metal part is made in

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the U.S., but of German steel; this metal part is in turn incorporated into a final product in Mexico. **Criterion D** can only be used in a limited number of circumstances where the non-originating materials cannot undergo a tariff shift, but where the value content calculation has been satisfied. **Criteria E and F** can only be used in very rare circumstances as well.

**Field #10:** The origin of a manufacturing import is not where the item was sourced from; rather, it is the original origin or country of manufacture. Do not complete this column by indicating countries of origin other than U.S., Canada, or Mexico.<sup>2</sup> Originating may be defined as previously described under criterion A and C or under B if the goods were transformed in the territory of the U.S., Canada, and/or Mexico so that each of the non-originating materials used in production undergoes a change in tariff classification or meets the Regional Value Content criteria described in the NAFTA *Rules of Origin*.

**Field #11a:** For a NAFTA Certificate of Origin to be accepted and applied, PPG requires signatures to be made by hand, in accordance with one of CBSA requirements.

Suppliers are required to exercise due diligence for claiming NAFTA, as PPG will determine NAFTA eligibility of finished products based on NAFTA Certificates of Origin provided by suppliers (See NAFTA Rules of Origin, Customs Memorandum D11-4-14 <http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-14-eng.html>).

For further guidance on completion of a NAFTA Certificate of Origin, see Appendices B and C.

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<sup>2</sup> If the country of origin is not Canada, Mexico, or United States – the goods are not eligible for NAFTA preferential tariff treatment.

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### 6. Recordkeeping

An importer must maintain in Canada, for the period of six years following the date of an importation of the commercial goods, all records that relate to:

- (a) The origin, marking, purchase, importation, costs and value of the commercial goods;
- (b) Payment for the commercial goods;
- (c) The disposal of the commercial goods in Canada.

The same applies to the foreign supplier who entered into a cross-border transaction with the Canadian importer.

CBSA may request copies of the following records at any time, from either the Canadian importer, or its foreign supplier:

- Purchase order;
- Record of receipt of goods;
- Commercial Invoice (or Intran Transaction Record);
- Customs Invoice;
- Supplier's Bill of Lading;
- Transportation Invoice;
- NAFTA or other free trade Certificate of Origin

Suppliers who export or cause to be exported goods as eligible for benefits under NAFTA also have a requirement to maintain copies of records supporting the NAFTA Certificate of Origin for a period of six years following exportation. If the exporter is not the producer, the exporter must maintain all written representations received from the producer of the goods that state the goods meet the NAFTA rules of origin.

Records must be kept in such a manner as to enable an officer to perform detailed audits of the records and to obtain or verify the customs information. Books and records maintained in machine-sensible data media are recognized as records and books of account, provided the medium can be related back to the supporting source documents and is supported by a system capable of producing an accessible and readable copy. The readable format must provide a link to relevant supporting documents.

The CBSA has authority to impose penalties upon suppliers who have exported goods with the benefit of NAFTA, but have failed to keep records as required (See AMPS Contravention C159 – C162 <http://cbsa-asfc.gc.ca/trade-commerce/amps/menu-eng.html>).

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### Appendix A – PPG Approved Brokers

**PPG uses a single customs broker for all import clearances to Canada, coast-to-coast, all modes of transportation:**

**Livingston International Inc.**  
6725 Airport Road, Suite 400  
Mississauga, Ontario  
L4V 1V2

Kevin Provender  
Assistant Manager Service Delivery CST 10  
E-mail: [kprovender@livingstonintl.com](mailto:kprovender@livingstonintl.com)  
Tel: 1-800-226-1875 Ext. 6384  
Fax: 905-405-8064

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### Appendix B - Guide to completion of NAFTA Certificates of Origin

Field #	Q&A
2.	<b>What is a “blanket” Certificate?</b> A blanket Certificate is an annual statement used to qualify identical products for multiple shipments throughout the period specified in field 2. According to regulations, the certificate period can only be up to one year. The date format must be DD/MM/YY. A calendar year response is preferred.
3.	<b>What if our company supplies goods to PPG that are manufactured by another company?</b> If you wish to include any such goods on your NAFTA Certificate, it is your responsibility to first solicit a NAFTA Certificate from your supplier. It is your responsibility to retain this documentation as evidence of the goods’ qualification.
4.	<b>What if I don’t know the importer?</b> It is acceptable to state “unknown” in this field. If various importers could use this Certificate, state “various” in this field.
5.	<b>What type of goods description is acceptable?</b> Include a full, non-technical description that is sufficiently detailed to relate the product you supply to the invoice description and to the 10-digit HS tariff number. Supplier part/ product numbers should also be included in this field. However, part numbers alone are not sufficient.
6.	<b>What is an “HS” tariff Classification number and where do I find it?</b> The Harmonized System (HS) numerically describes all articles moving in international trade. Over 140 countries have adopted this number system. Canada has adopted the Harmonized System through its <i>Customs Tariff</i> . Please consult the instructions in this Handbook on Tariff Classification for further information. For the purposes of the NAFTA Certificate of Origin, it is sufficient to provide the tariff classification to six digits.
7.	<b>I have heard that certain preference criterion choices raise a flag to Customs. What cautions can you provide?</b> Any product shown as preference criterion A that contains numerous manufacturing inputs or contains any electronic components is virtually guaranteed an in-depth review. Under preference criterion A <i>every single molecule</i> in each material used in production was extracted from the ground, planted, born and raised in the case of animals and livestock, fished, or processed aboard flagged vessels or waste and scrap derived from production, all within the territory of the U.S., Canada and Mexico. The second likely flag is use of preference criterion C. This criterion applies to goods that are produced entirely in the territory of one or more of the NAFTA countries exclusively from <i>originating</i> materials. Articles that are <i>not</i> made up of multiple manufacturing inputs do not qualify under criterion C. Articles that contain <i>even one</i> manufacturing input that is <i>non-territorial</i> origin cannot be criterion C. Criterion B is the right choice if the product contains <i>non-territorial</i> inputs or materials used in the production of the goods <i>and the good meets Annex 401 rules through tariff shift or a cost calculation using one of two value content formulas</i> . Criterion D, E and F have very limited application and could likely cause question.
8.	<b>What guidance can you provide regarding completion of field 8, Producer?</b> If you are not the producer, you must also indicate (1), (2) or (3) depending on your knowledge of the origin of the goods. Use of (1) or (2) often leads to questions from Customs so it is likely that PPG will question any such response as well. Use of No (3) requires you to have a valid supplier Certificate qualifying



**SUPPLIER INSTRUCTIONS**

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	their product for NAFTA before you present a Certificate to PPG.
9.	<b>Any tips about field 9? Where can I find rules about whether field 9 should contain “No” or “NC” and what do these terms mean?</b> Do not complete this field with the selling price. Field 9 almost exclusively applies when goods have been certified under the B criterion and the Annex 401 qualifying rule requires regional value content based on the net cost formula or Transaction Value Methods. In this case, indicate “NC”. The rules explaining the use of “RVC” or regional value content are explained in <i>NAFTA Rules of Origin</i> (the official language printed in the North American Free Trade Agreement). You must first determine the tariff classification number and origin of the goods. Then go to <i>NAFTA Rules of Origin</i> to find out whether this classification requires a tariff shift or a value calculation. You must take these steps to determine whether “No” or the “NC” response is appropriate.
10.	<b>What guidance can you provide regarding country of origin?</b> The origin of a manufacturing import <i>is not where the item was sourced from</i> ; rather, it is the original origin or country of manufacture. <i>Do not</i> complete this column by indicating countries of origin other than U.S., Canada or Mexico. Originating may be defined as previously described under criterion A and C or under B if the goods were transformed in the territory of the U.S., Canada and/or Mexico so that each of the non-originating materials used in production undergoes a change in the tariff classification or meet the 50% RVC criteria as described in <i>NAFTA Rules of Origin</i> .
11.	<b>Who should sign the NAFTA Certificate?</b> CBSA will question Certificates that have been endorsed by individuals such as secretaries, clerks or warehouse persons who may not have knowledge of the NAFTA regulations and the product components. Endorsements of this nature still bind the corporation to the accuracy of the information contained and have a greater potential for a verification audit.

## SUPPLIER INSTRUCTIONS

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### Appendix C - Resources

NAFTA Secretariat – the official website : [www.nafta-sec-alena.org](http://www.nafta-sec-alena.org)

Canada Border Services Agency (CBSA):

Importing Goods Into Canada <http://www.cbsa-asfc.gc.ca/import/menu-eng.html>

NAFTA information <http://www.cbsa-asfc.gc.ca/trade-commerce/ta-ac-eng.html#nafta>

Customs D-Memoranda <http://www.cbsa-asfc.gc.ca/publications/dm-md/menu-eng.html>

Customs Tariff <http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-eng.html>

Livingston International Customs Brokerage

<http://www.livingstonintl.com/shippingtocda.cfm>



**FORMS**

**SUPPLIER INSTRUCTIONS**



**Form 1 Canada Customs Invoice**

CANADA CUSTOMS INVOICE					
1. Vendor ( Name and Address)		2. Date of Direct Shipment to Canada  3. Other references (Include Purchaser's order no.)			
4. Consignee (Name and address)		5. Purchaser's Name and Address (if other than Consignee)			
		6. Country of Transshipment			
		7. Country of Origin of Goods	If shipment includes goods of different origin enter origins against items in 12.		
8. Transportation: Give Mode and Place of Direct Shipment to Canada		9. Conditions of Sale and Terms of Payment i.e. Sale, Consignment Shipment, Leased Goods, etc.			
		10. Currency of Settlement			
11. No. Pieces	12. Specification of Commodities ( Kind of Packages, Marks and Numbers, General Description and Characteristics, i.e. Grade, Quality)	HS Tariff	13. QUANTITY	unit	SELLING PRICE
					14. UNIT PRICE  15. TOTAL
18. If any fields 1 to 17 are included on an attached commercial invoice, check this box.  Commercial Invoice No. <input type="checkbox"/>			16. Total Weight Net _____ Gross _____		17. Invoice total
19. Exporter's name and address (if other than Vendor)		20. Originator (Name and Address)			
21. Department Ruling (if applicable)		22. If fields 23 to 25 are not applicable, check this box: <input type="checkbox"/>			
23. If included in field 17 indicate amount:  (I) Transportation charges, expenses and insurance from the place of direct shipment to Canada: \$ _____  (II) Costs for construction, erection and assembly incurred after importation into Canada: \$ _____  (III) Export packing \$ _____		24. If not included in field 17 indicate amount:  (I) Transportation charges, expenses and insurance from the place of direct shipment to Canada: \$ _____  (II) Amounts for commissions other than buying commissions \$ _____  (III) Export packing \$ _____		25. Check (if applicable)  ____ (I) Royalty payment or subsequent proceeds are payable by the purchaser.  ____ (II) The purchaser has supplied goods or services for use in the production of these goods.	

**SUPPLIER INSTRUCTIONS**

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**Form 2 Commercial Invoice**

**COMMERCIAL INVOICE**

<b>DATE:</b>	<b>REFERENCE NUMBER</b>
<b>SHIPPER</b>	<b>CONSIGNEE</b>
<b>COUNTRY OF ORIGIN</b>	<b>IMPORTER (IF OTHER THAN CONSIGNEE)</b>
<b>COUNTRY OF ULTIMATE DESTINATION</b>	

<b>NUMBER OF</b>	<b>COMPLETE DESCRIPTION OF GOODS</b>	<b>HTS</b>	<b>ECCN</b>	<b>QUANTITY</b>	<b>UNIT VALUE USD</b>	<b>TOTAL VALUE USD</b>

**“THESE COMMODITIES, TECHNOLOGY, OR SOFTWARE WERE EXPORTED FROM THE UNITED STATES IN ACCORDANCE WITH EXPORT ADMINISTRATION REGULATIONS. DIVERSION CONTRARY TO U.S. LAW IS PROHIBITED”.**

**I HEREBY DECLARE THAT THE INFORMATION ON THIS INVOICE IS TRUE AND CORRECT. I HEREBY AUTHORIZE THE CARRIER TO EXECUTE ANY ADDITIONAL DOCUMENTS AS MAY BE NECESSARY FOR THE EXPORT OF THE GOODS DESCRIBED HEREIN.**

TYPE NAME AND TITLE OF SHIPPER

SIGNATURE

DATE

**SUPPLIER INSTRUCTIONS**



**Form 3 NAFTA Certificate of Origin**

DEPARTMENT OF TREASURY  
UNITED STATES CUSTOMS SERVICE

OMB No. 1515-0204  
See back of form for  
Paper-work Reduction  
Act Notice

**NORTH AMERICAN FREE TRADE AGREEMENT  
CERTIFICATE OF ORIGIN**

19 CFR 181.11, 181.22

Please print or type

<b>1. EXPORTER NAME AND ADDRESS:</b>		<b>2. BLANKET PERIOD (DD/MM/YY):</b>			
TAX IDENTIFICATION NUMBER:		FROM:			
		TO:			
<b>3. PRODUCER'S NAME AND ADDRESS:</b>		<b>4. IMPORTER NAME AND ADDRESS</b>			
Available To Customs By Request					
TAX IDENTIFICATION NUMBER:		TAX IDENTIFICATION NUMBER:			
PPG GOODS CODE	CUSTOMER PART NO.	<b>6. H.S. TARIFF CLASS NO.</b>	<b>7. PREFERENCE CRITERION</b>	<b>8. PRODUCER</b>	<b>9. NET COST</b>
<b>5. DESCRIPTION OF GOOD(S):</b>					<b>10. COUNTRY OF ORIGIN</b>
<p>I CERTIFY THAT:</p> <ul style="list-style-type: none"> <li>- THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH PRESENTATIONS.</li> <li>- I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENTS OR MATERIAL OMISSIONS MADE ON OR IN CONNECTION WITH THIS DOCUMENT;</li> <li>- I AGREE TO MAINTAIN AND PRESENT UPON REQUEST, DOCUMENTATION NECESSARY TO SUPPORT THIS CERTIFICATE, AND TO INFORM, IN WRITING ALL PERSONS TO WHOM THE CERTIFICATE WAS GIVEN OF ANY CHANGES THAT WOULD AFFECT THE ACCURACY OR VALIDITY OF THIS CERTIFICATE.</li> <li>- THE GOODS ORIGINATED IN THE TERRITORY OF ONE OR MORE OF THE PARTIES, AND COMPLY WITH THE ORIGIN REQUIREMENTS SPECIFIED FOR THOSE GOODS IN THE NORTH AMERICA FREE TRADE AGREEMENT, AND UNLESS SPECIFICALLY EXEMPTED IN ARTICLE 411 OR ANNEX 401, THERE HAS BEEN NO FURTHER PRODUCTION OR ANY OTHER OPERATION OUTSIDE THE TERRITORIES OF THE PARTIES.</li> <li>- THIS CERTIFICATE CONSISTS OF ___ PAGE(S), INCLUDING ALL ATTACHMENTS.</li> </ul>					
<b>11. AUTHORIZED SIGNATURE:</b>			<b>COMPANY:</b>		
<b>NAME (PRINT OR TYPE):</b>			<b>TITLE:</b>		
<b>DATE SIGNED:</b>	<b>CERT. #</b>	<b>TELEPHONE:</b>	<b>FAX:</b>		

Customs Form 434 (040397)

## SUPPLIER INSTRUCTIONS

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### SUPPLIER CHECKLIST

#### **Notify Party:**

Is PPG's broker, Livingston International shown as the notify party on the Air bill or Bill of Lading?

#### **Value Requirements:**

Is the value shown on the Customs Invoice representative of the PPG Purchase Price?

Are additions to Customs value included? (Packing costs, assists, commissions etc.)

Are deductions from Customs value included? (Freight charges, insurance, technical assistance etc.)

#### **Customs Invoice Requirements:**

Are the following items listed:

Purchaser (Importer) name and address, if different than Consignee

Country of Origin of article

Generic description along with specific part number of article

10-digit HS tariff classification

PPG purchase order number (or other PPG designated reference number)

Value (Sales price)

Quantity of each article with clearly indicated UOM (Unit of Measure)

Additions to Customs value (see Value for Duty section of Supplier Instructions)

Deductions to Customs value

Incoterms2010

Have sufficient copies of the invoice been sent with the goods?

Has a copy been retained by shipper for record retention purposes?

#### **Marking requirements:**

Is the container marked with the Country of Origin in English or French?

#### **Do the articles in the shipment qualify for a trade preference program?**

Has a completed and signed NAFTA Certificate of Origin been forwarded to PPG?

Fax to 905-404-6719 or email to [siket@ppg.com](mailto:siket@ppg.com).