Date of Direct Shipment

Canadian Customs Brokerage Series

What is the date of direct shipment?



- ► The date of Direct Shipment is defined as:
 - ► The date on which the (imported) goods began their continuous journey to Canada

What is the importance of the "ship date"

- This is the date that is used to determine the currency exchange rate.
- ► The exchange rate *on the date of direct shipment* to Canada is the rate used to convert the value of goods to Canadian dollars when they are in a foreign currency.



Exchange rate calculation

- Example:
 - ► The Date of Direct Shipment is: August 1st, 2021
 - ► The US exchange rate on August 1st is: 1.2462
 - ► The US value of the goods is: \$650.00
 - ▶ \$650.00 x 1.2462 = \$810.03 CAD
 - The amount of duty & tax payable on the imported goods is calculated on the <u>Canadian</u> value of goods.
 - ► In this case: \$810.03

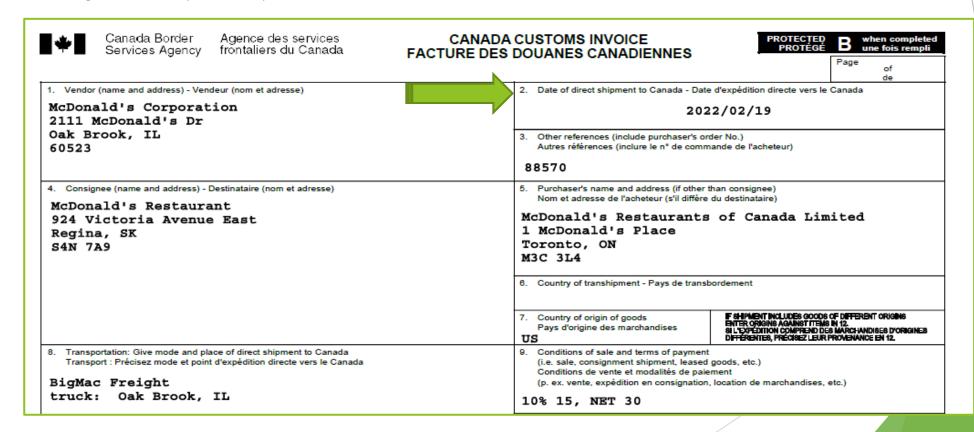


What is the "continuous journey to Canada"?

- The movement of goods from the point of shipping to the point of destination
 - ► The point of shipping will usually be the location where the goods are loaded onto the carrier with a specific location in Canada identified on transportation documents as the destination
- A direct and uninterrupted journey to a specific destination in Canada
 - ► The goods cannot enter the commerce of another country, they must remain under foreign customs control when transshipped
 - ▶ If the goods are enhanced or changed to add extra value to them at an intermediate point along the route, that point would then be considered the place of direct shipment
 - When goods must change carriers, or are consolidated/deconsolidated along the route, the goods are considered to be transshipped. Transshipped goods are considered to be part of an uninterrupted journey

How to identify the date of direct shipment

One of the required fields of the Canada Customs Invoice is date of direct shipment: (field 2)



BOL: Bill of Lading

- ► The BOL is a contract between the shipper and the carrier. It is also known as "a contract of carriage"
- It is a receipt signed by the carrier that confirms the goods matching the contract description have been received and loaded on the conveyance
- Some of the important information that can be found on the bill of lading include:
 - ► The total number of pieces
 - ► The total weight
 - ► The date of direct shipment
- ► The carrier or the shipper can complete the BOL, but the driver of the transport company is to sign and date it once the goods are on-board

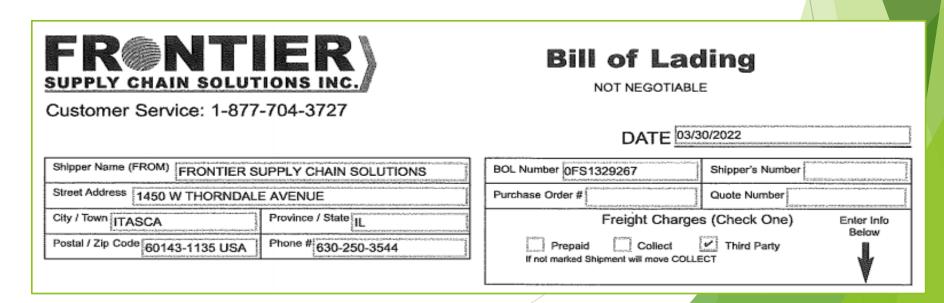
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		regulations of the	901,	in go	ed order, except so noticed.		

When preparing the BOL, the shipper completes the date on the form.

When the goods are loaded on the conveyance, the driver signs the form with the date of pickup.

Drop shipments and multiple BOL's

- When using the pickup date on the BOL as the date of direct shipment, it is important to note if there is a prior BOL for the shipment
- For example, when goods are "drop shipped" in the Frontier US Warehouse, the goods began their continuous journey to Canada <u>before</u> arriving at the Itasca, IL location.
- The movement of the goods from the shippers location to the Frontier warehouse would have its own unique BOL, and therefore the date of pickup at the shippers location would actually be the date of direct shipment.



The Ocean Bill of Lading (OBL)

- When looking for the date of direct shipment on an Ocean Bill of Lading, the terminology used will usually be:
 - Shipped on Board date
 - Goods Laden on Board date
- This is the date the goods were loaded to the vessel



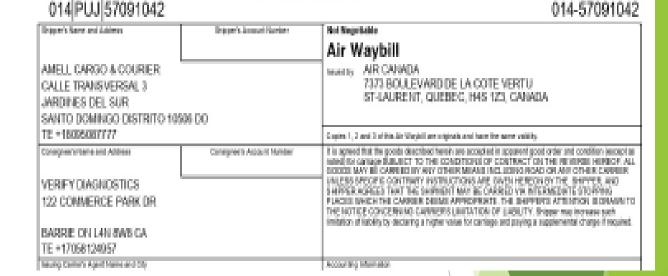
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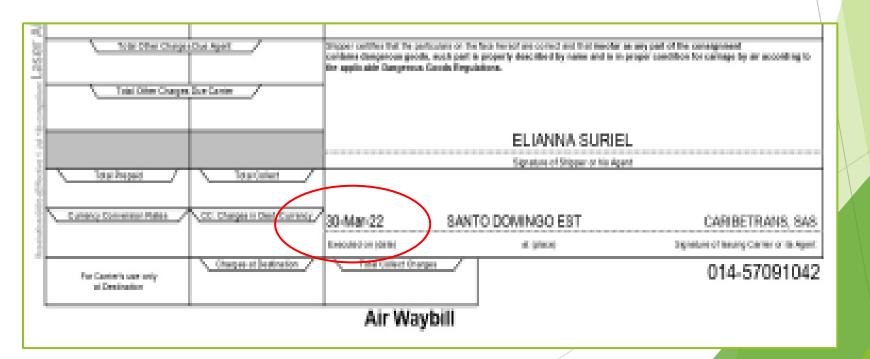
OCEAN BILL OF LADING

FMC LIC:021260 SHIPPER BOOKING NUMBER BILL OF LADING NUMBER JIANGSU HENGLI CHEMICAL FIBRE CO., LTD SH22031703 SHSM1S837200 NO.1 HENGLI ROAD, ECONOMIC DEVELOPMENT ZONE OF NAN EXPORT REFERENCES SHENGZE TOWN, WUJIANG CITY, JIANGSU PROVINCE, P.R. CHINA DESTINATION AGENT PHONE:+86-512-63057718 FAX:+86-512-63057998 UCM CANADA INC. 150 CONSUMERS ROAD, SUITE 405 ABC CANADA TECHNOLOGY GROUP LTD TORONTO ONTARIO M2J 1P9 1802 OUEBEC AVENUE SASKATOON, SASKATCHEWAN TEL:416-321-8980 FAX:416-321-8990 CANADA S7K 1W2 ATTN:DANIEL NOTIFY PARTY ALSO NOTIFY ABC CANADA TECHNOLOGY GROUP LTD 1802 QUEBEC AVENUE SASKATOON, SASKATCHEWAN CANADA S7K 1W2 CONTAINER NO. PLACE OF RECEIPT PRE-CARRIAGE SY VESSEL VOY PORT OF LOADING FINAL DESTINATION. (FOR MERCHANT'S REFERENCE ONLY) 2202E SHANGHAI PORTLAND PLACE OF DELIMERY VANCOUVER FREIGHT STATUS NUMBER OF ORIGINAL THREE VANCOUVER PARTICULARS FURNISHED BY SHIPPER MEASURE MARKS AND NUMBERS NO OF PKGS DESCRIPTION OF PACKAGES AND GOODS GROSS WEIGHT MENT SHIPPER'S LOAD & COUNT &SEAL (F.C.L)S.T.C 40'HQX1 N/M 39 PKGS 70.000 CBM HIGH TENACITY POLYESTER YARN SLS 2200DTEX/384F SHIPPED ON BOARD 2022-03-27 CY TO CY SMCU1253658/SMC631713/(40'HQ) SAY THIRTY NINE(39) PKGS ONLY

Air BOL (Waybill)

- When looking for the date of direct shipment on an Air Waybill, the terminology used may be:
 - Executed On (date)
- This is the date the goods were loaded to the plane for departure





Summary

- ► The date of direct shipment is a requirement for Customs declarations
- ► The date of direct shipment determines the exchange rate used to convert the value to CAD, and calculate duties and taxes upon import
- ► The BOL is a document that can be used to determine the date of direct shipment
- The date of directs shipment is the date the goods begin their continuous journey to Canada.