

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 \times 1.2462 = \810.03 CAD
- ▶ The amount of duty & tax payable on the imported goods is calculated on the Canadian 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)


Canada Border Services Agency / Agence des services frontaliers du Canada		CANADA CUSTOMS INVOICE / FACTURE DES DOUANES CANADIENNES		PROTECTED / PROTÉGÉ	B when completed / une fois rempli
				Page	of / de
1. Vendor (name and address) - Vendeur (nom et adresse) McDonald's Corporation 2111 McDonald's Dr Oak Brook, IL 60523		2. Date of direct shipment to Canada - Date d'expédition directe vers le Canada 2022/02/19			
4. Consignee (name and address) - Destinataire (nom et adresse) McDonald's Restaurant 924 Victoria Avenue East Regina, SK S4N 7A9		3. Other references (include purchaser's order No.) Autres références (inclure le n° de commande de l'acheteur) 88570			
8. Transportation: Give mode and place of direct shipment to Canada Transport : Précisez mode et point d'expédition directe vers le Canada BigMac Freight truck: Oak Brook, IL		5. Purchaser's name and address (if other than consignee) Nom et adresse de l'acheteur (s'il diffère du destinataire) McDonald's Restaurants of Canada Limited 1 McDonald's Place Toronto, ON M3C 3L4		6. Country of transshipment - Pays de transbordement	
		7. Country of origin of goods Pays d'origine des marchandises US		IF SHIPMENT INCLUDES GOODS OF DIFFERENT ORIGINS ENTER ORIGINS AGAINST ITEMS IN 12. SI L'EXPÉDITION COMPREND DES MARCHANDISES D'ORIGINES DIFFÉRENTES, PRÉCISEZ LEUR PROVENANCE EN 12.	
		9. Conditions of sale and terms of payment (i.e. sale, consignment shipment, leased goods, etc.) Conditions de vente et modalités de paiement (p. ex. vente, expédition en consignation, location de marchandises, etc.) 10% 15, NET 30			

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

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 before 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.

 Customer Service: 1-877-704-3727		Bill of Lading NOT NEGOTIABLE	
		DATE 03/30/2022	
Shipper Name (FROM) FRONTIER SUPPLY CHAIN SOLUTIONS		BOL Number 0FS1329267	Shipper's Number
Street Address 1450 W THORNDALE AVENUE		Purchase Order #	Quote Number
City / Town ITASCA	Province / State IL	Freight Charges (Check One)	
Postal / Zip Code 60143-1135 USA	Phone # 630-250-3544	<input type="checkbox"/> Prepaid <input type="checkbox"/> Collect <input checked="" type="checkbox"/> Third Party	
		If not marked Shipment will move COLLECT	
		Enter Info Below ↓	

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

U.S. UNITED LOGISTICS (NINGBO) INC		OCEAN BILL OF LADING		FMC LIC:021260	
SHIPPER JIANGSU HENGLI CHEMICAL FIBRE CO.,LTD NO.1 HENGLI ROAD,ECONOMIC DEVELOPMENT ZONE OF NAN MA, SHENGZE TOWN,WUJIANG CITY,JIANGSU PROVINCE,P.R.CHINA PHONE:+86-512-63057718 FAX:+86-512-63057998		BOOKING NUMBER SH22031703	BILL OF LADING NUMBER SHSM15837200		
CONSIGNEE ABC CANADA TECHNOLOGY GROUP LTD 1802 QUEBEC AVENUE SASKATOON, SASKATCHEWAN CANADA S7K 1W2		EXPORT REFERENCES			
NOTIFY PARTY ABC CANADA TECHNOLOGY GROUP LTD 1802 QUEBEC AVENUE SASKATOON, SASKATCHEWAN CANADA S7K 1W2		DESTINATION AGENT UCM CANADA INC. 150 CONSUMERS ROAD,SUITE 405 TORONTO ONTARIO M2J 1P9 TEL:416-321-8980 FAX:416-321-8990 ATTN:DANIEL			
PRE-CARRIAGE BY		PLACE OF RECEIPT			
VESSEL VOY SM 2202E PORTLAND		PORT OF LOADING SHANGHAI			
PORT OF DISCHARGE VANCOUVER		PLACE OF DELIVERY VANCOUVER			
FINAL DESTINATION (FOR MERCHANT'S REFERENCE ONLY)		FREIGHT STATUS		NUMBER OF ORIGINAL THREE	
PARTICULARS FURNISHED BY SHIPPER					
MARKS AND NUMBERS	NO OF PKGS	DESCRIPTION OF PACKAGES AND GOODS		GROSS WEIGHT	MEASURE- MENT
N/M	39 PKGS	SHIPPER'S LOAD & COUNT & SEAL (F.C.L)S.T.C 40'HQX1 HIGH TENACITY POLYESTER YARN SLS 2200DTEX/384F		24889.80 KGS	70.000 CBM
SMCU1253658/SMC631713/(40'HQ)		SHIPPED ON BOARD 2022-03-27			
		ORIGINAL			
		CY TO CY			
		ON BOARD			
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

014 PUJ 57091042		014-57091042
Shipper's Name and Address AMEL CARGO & COURIER CALLE TRANSVERSAL 3 JARDINES DEL SUR SANTO DOMINGO DISTRITO 109M DO TE +1809087777		Shipper's Account Number Not Negotiable Air Waybill Issued by: AIR CANADA 7373 BOULEVARD DE LA COTE VERTU ST-LAURENT, QUEBEC, H4S 1Z3, CANADA
Consignee's Name and Address VERIFY DIAGNOSTICS 122 COMMERCE PARK DR BARRIE ON L4N 8W8 CA TE +17058124957		Consignee's Account Number Copies 1, 2 and 3 of this Air Waybill are originals and have the same validity. It is agreed that the goods described herein are accepted in accord with order and condition except as noted for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF. ALL GOODS MAY BE CARRIED BY ANY OTHER MEANS INCLUDING ROAD OR AIR OTHER CARRIER UNLESS SPECIFIC CONTRARY INSTRUCTIONS ARE GIVEN HEREOF BY THE SHIPPER, AND SHIPPER AGREES THAT THE SHIPMENT MAY BE CARRIED VIA INTERMEDIATE STOPPING PLACES WHICH THE CARRIER DEEMS APPROPRIATE. THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required.
Being Carried Agent Name and City		Accounting Reference

Total Other Charges Due Agent		I hereby certify that the particulars of the facts herein are correct and that neither in any part of the consignment contains dangerous goods, such part is properly described by name and in proper condition for carriage by air according to the applicable Canadian Regulations.	
Total Other Charges Due Carrier		ELIANNA SURIEL Signature of Shipper or his Agent	
Total Paid	Total Collect		
Currency Collected From	CCL Charges in Kind Currency	30-Mar-22	SANTO DOMINGO EST
Charges at Destination		Executed on (date)	at (place)
For Carrier's use only at Destination		Final Collect Charges	CARIBETRANS, SAs Signature of Being Carrier or its Agent 014-57091042

Air Waybill

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 direct shipment is the date the goods begin their continuous journey to Canada.