Guide for Canadian Artists Shipping and Returning art to and from the USA and using UPS.

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Island Illustrators Society
Community Art Council of Greater Victoria
Victoria, BC

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About this Document

This document is based on my experiences involving using UPS (United Parcel Service) as a carrier and as a broker and the shipment of art to the USA and returning it to Canada after exhibition. My procedures fall into the informal system of import and export. If you are in a situation that falls under the formal rules, engage an independent brokerage service.

I am hoping to offer a simple practical system that allows artists to exhibit in he USA without being overwhelmed by paperwork and bureaucracy

My first shipments were in 1999 and now total over 70. In the beginning I was caught in several traps that cost me fees to have my own work returned to me. Mostly this was in the form of brokerage fees.

Living in Victoria, with the port of entry in Vancouver, there is a considerable cost for an island artist to act as their own broker to clear customs. There are few other choices than using UPS to act on your behalf.

It is worth noting that UPS Canada earns more from brokerage fees than they do from shipping charges. Their obligation when acting as brokers is to interpret customs regulations to the benefit of the government by collecting duties and taxes and to themselves to generate profits.

The key to avoiding brokerage fees is to take advantage of the informal vs. formal import and export regulations. For shipments to the USA, informal is based on a value of \$2,000.00 less. The informal option releases you from many of the fees and extra paperwork, and in some cases bonds, that would be costly.

The informal system still leaves you vulnerable to brokerage fees that are based on the value of the article. This starts with anything valued above \$35. (Memory point)

To eliminate brokerage fees, you're declared value must be below the \$35 threshold. You cannot declare a value of zero. The minimum value for customs purposes is \$1.00 (one dollar). So your key to avoiding brokerage fees is to declare a value of \$1.00 (one dollar) for each art work you are shipping.

You must also avoid claiming the free \$100 insurance package. If you opt for insurance, you are, in essence, agreeing to a declared value of \$100, and subject to brokerage fees based on that value. There is some question of whether UPS will actually insure art and may not pay out even if you opt for the \$100 or choose to buy additional insurance. UPS does not recognize art as a quantifiable commercial product where there are posted and widely accepted fixed prices.

Using UPS as Shipper and Broker

The UPS driver is at your door returning your art from an exhibition in the United States. You are shocked that he wants payment of several hundred dollars before he can leave the work with you.

You may protest, but his job is quite simple, deliver and collect or take the art back to the UPS warehouse and return it to the American shipper. As the artist and owner of the art work crossing and returning the border you have few choices when faced with this dilemma. If you don't pay, UPS will put your account into the hands of a collection agency.

And what are those payments? The biggest part will be brokerage fees. These are the fees charged by a Customs Broker to clear goods through Canada Customs. The other parts of the payment will be taxes of one kind or another collected on behalf of the government. Brokerage fees are based on the declared value of the contents being delivered. There are no brokerage fees for items of little or very low value, \$30 the last time I looked

This guide will let you export art to the USA and return it without paying brokerage fees.

Step by Step

Set Up an Account with UPS

You have to pay for shipping. The easiest way is to open an account with UPS and have the shipping costs charged to a credit card. This simplifies payment for pick up and for payment for any returns from the USA. It also means you can leave a shipment at your door for driver pick up. The driver can also be authorized to leave shipments at your door if you aren't available to receive.

Get UPS waybills

You can pick these up from any UPS store. There is no charge. You can also call UPS and request delivery of supplies by the UPS driver.

Along with the waybills you need the plastic stick on envelope that attaches to the exterior of your shipment. This envelope hold the waybill and all the supporting documents to clear customs.

You need 2 or 3 of everything

You need a minimum of 2 waybills and 2 plastic envelopes. One for your shipment that sticks to the outside of your package, the other for you to fill out for the return shipment to Canada, which is placed with the art inside the packaging.

You will need 3 copies of each document used to ship to the USA and 3 copies of each document for the return from the USA. While there is some duplication they are not all the same.

DO NOT expect the USA entity returning your work to be able to fill out the waybill or provide documents that are to your benefit. They are more likely to cause you a lot of grief.

A New Development

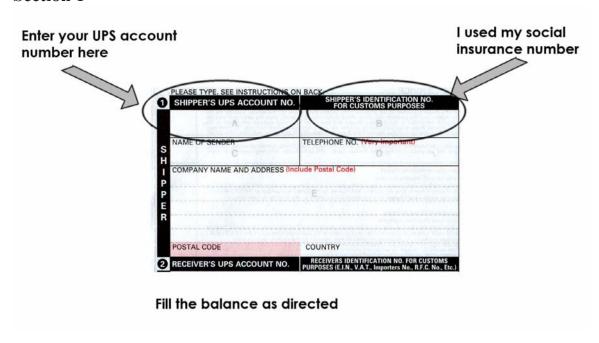
A recent development indicates that you should make a Photocopy of the filled in waybill for the shipment to the USA and include it with the other documents for the return shipment. (3 copies) This helps convince UPS Canada that the goods returning are your personal property returning to you. They can check the tracking number and verify that they did ship the work for you.

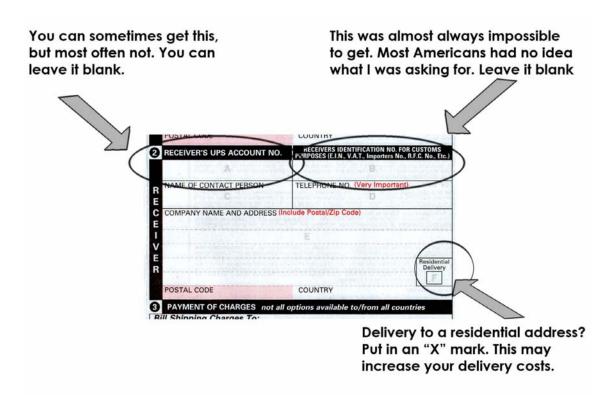
Prepare a waybill for shipping to the USA

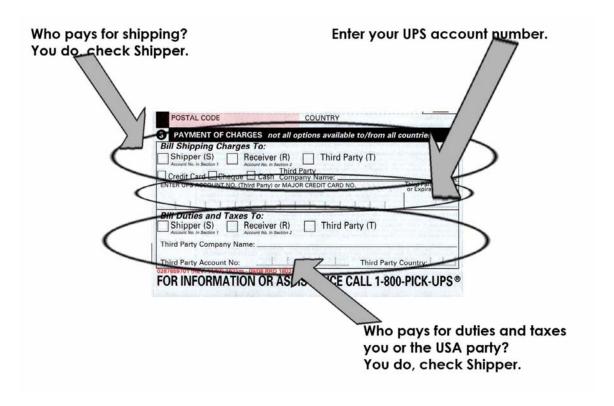
This is UPS Waybill. It is broken up into 11 sections. There are instructions on back for filling out. I am highlighting certain parts for your guidance.



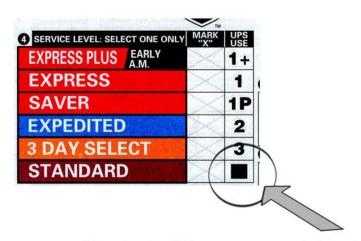
Section 1



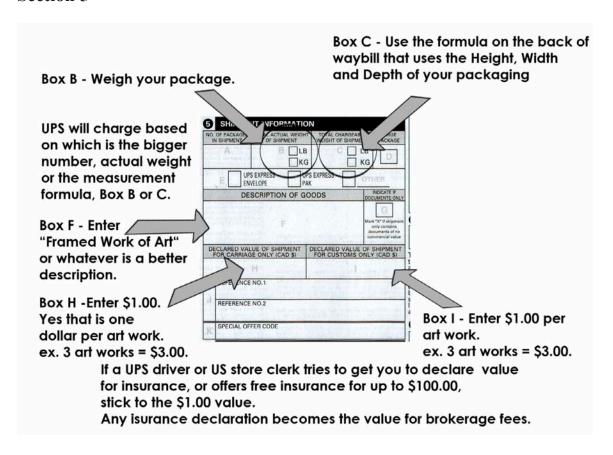




Section 4



Standard will be your normal shipping choice. Browse throgh the other choices on the UPS web site and use the rate calculator.



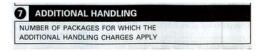
Section 6

Enter "Canada"



Section 7

Read the back of the waybill to see if this applies to you.



Section 8

"Other" might be used to indicate a specific delivery date

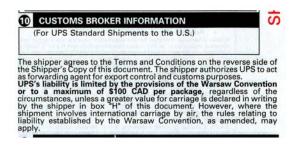


Section 9

Because you have declared a value of \$1.00 for each art work, you are likely to be under the \$2000 threshold. Leave it blank.



Because you are declaring a value of \$1.00 per art work, this does not apply.



Section 11

Fill in the date in the white section and sign .



Documents for Export to the USA.

You will need 3 copies of each document

- 1. North American Free Trade Agreement Certificate of Origin
- 2. Export Invoice for Customs
- 3. Certificate of Canadian Origin

North American Free Trade Agreement Certificate of Origin

You do get asked for a copy of the North American Certificate of Origin. To keep life simple, I include one with each shipment and with each return shipment. You can download from here:

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

The HS Tariff numbers for art are:

Paintings, drawings and pastels: Code 97011000 Collages, decorative plaques: Code 97019000 Engravings, prints, lithographs: Code 97020000

Sculpture: Code 97030000

Read the second page for your kind of art and materials.

Export Invoice for Customs

This is an example of an export invoice. The key words are in bold in the middle. Created in Word.

Certificate of Canadian Origin

This where you declare your Canadian origin and list each of the art works in your shipment. This example has only one piece. Created in Word.

Attach the plastic pouch to your package. 3 copies of each document, plus the waybill, are put in the plastic pouch. The driver needs to pull them out, so leave a bit out so he can grab the documents and way bill. I usually use clear shipping tape on three edges of the pouch.

DEPARTMENT OF THE TREASURY UNITED STATES CUSTOMS SERVICE

NORTH AMERICAN FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN

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

Please print or type	19 CFR	181.11, 181.22				11701013-310011	
1. EXPORTER NAME AND ADDRESS		2. BLANKET PERIOD (DD/MM/YY)					
Raymond St. Arnaud		January 1, 2000 FROM December 31, 2000					
Street							
Victoria, BC V Canada		то					
TAX IDENTIFICATION NUMBER: 7		F					
3. PRODUCER NAME AND ADDRESS		4. IMPORTER NA	ME AND ADDRES	S			
Raymond St. Arnaud							
Street		Various, Available on Request					
Victoria, BC Canada							
TAX IDENTIFICATION NUMBER: 7		TAX IDENTIFIC	ATION NUMBER:				
5. DESCRIPTION OF GOOD(S))		6. HS TARIFF CLASSIFICATION NUMBER	7. PREFERE CRITERIO	N S RODUCER	9. NET COST	10. COUNTRY OF ORIGIN
Framed Work of Art, Original Print			9702. 00. 000	A	Yes		CA
I CERTIFY THAT:							_
7 THE INFORMATION ON THIS DOCUMENT IS RESENTATIONS. I UNDERSTAND THAT I AM NECTION WITH THIS DOCUMENT;							
I I AGREE TO MAINTAIN, AND PRESENT UPO INFORM, IN WRITING, ALL PERSONS TO WHO RACY OR VALIDITY OF THIS CERTIFICATE;							
7 THE GOODS ORIGINATED IN THE TERRITOR SPECIFIED FOR THOSE GOODS IN THE NOR ARTICLE 411 OR ANNEX 401, THERE HAS BEE OF THE PARTIES; AND	RTH AMERICAN FR	EE TRADE AG	REEMENT, AN	D UNLES	S SPECIFI	CALLY EXEMP	TED IN
THIS CERTIFICATE CONSISTS OF 1	PAGES, INCLU		CHMENTS.				
11a. AUTHORIZED SIGNATURE		11b. COMPANY	16. 4				
			d St. Arnaud	1			
11c. NAME (Print or Type) 11. Paymond St. Arnaud		11d. TITLE	Sole propri	etor			
Raymond St. Arnaud	116.	(Voice)	Joie propri		csimile)		
	TELEPHONE D	^(Voice) 250-5			250-5	5	
		_			Cus	toms Form 434	(121793)

Customs Invoice # 2009-03

From:

Raymond St. Arnaud

Date: March 13, 2008

Ship To: xxxxxxxxxx Foundation

xxxxxxxxx Art Museum

xx xxx xxxxxx Lane Xxxxxxx, CA 94000

Attention: Xxxxxx Xxxxx, Director

Xxxxxxxxx Foundation Telephone: 650/xxx-xxxx

Quantity	Description	Replacement Value for customs Can\$	Total CDN \$
1	Original Prints	\$1.00	\$1.00
	Educational Material, Temporary Export Of Original Works Of Art		
	No Commercial Value		

Revenue Canada Business Number: xxxxx xxxx R British Columbia Social Services Tax Number: xxxxx

UPS Accounts:

CANADA - RXX XXX Importer Number - XXXXX-XXXX

Certificate Of Canadian Origin/Certificat D'Origin Canadianne (Temporary Export Of Original Works Of Art/Exportation Temporaire D'Oueuvres D'Art Original)

Identification Of Artist/Indentification De L'Artiste					
Name/Nom Address/Addresse	XXXX XXX Street	N.V.V.			
-	Victoria, BC Canada V8I	R XXX			
		oyen du Canada. Œ Yes/oui □No/Non			
		t Le Proprietaire De L'Ouvre 🗷 Yes/oui 🗖 No/.			
property and that th	The artist confirms that the original work identified was completed while a resident of Canada. The artist affirms that that the work is his/her property and that the use of this Certificate for re-entry of the work after temporary export shall indicate that no change of ownership has taken place since the date of issue.				
I understand that it	is a serious offence to make a fal	lse or misleading statement, and affirm that the	he above representations are true.		
propriété et que la pr		ifiée a été achevée pendant qu'll (elle) residait a e que, en cas d'une rentrée de l'ouvre après son tture.			
Je comprends que l'a exacte.	nct de faire une déclaration fausso	e ou trompeuse constitue une grave infarction e	et affirme que la déclaration ci-dessus est		
Artist/Artistse	Raymond St. Arnaud	Signed/Signature			
Date					
(Tempor		nadian Origin/ <i>Certificat D'Orig</i> Works Of Art/ <i>Exportation Temporai</i>			
	Identific	cation Of Work/ <i>Identification De L'</i> C	Ouvre		
Name/Nom Address/Addresse	xxxxzxxx xxxxxxxx Stree	et	- -		
Notes/Remarques The artists signature, date and title are written in pencil under the image. The date, copyright symbol and the name St. Arnaud appear as an integral part of the image.					
Title/Titre " Dimensions		Medium/ <i>Medium</i> Original Digi Date Of Completion/ <i>Date d'achèvment</i> _			

Documents for Canadian Goods Returning.

You will need 3 copies of each document

- 1. North American Free Trade Agreement Certificate of Origin
- 2. Return Invoice for Customs
- 3. Certificate of Canadian Origin (Returning)
- 4. Xerox copy of the waybill used to ship to the USA

North American Free Trade Agreement Certificate of Origin

This is the same document as used in Export.

Return Invoice for Customs

The Return Invoice has the headline;

AUTHORIZATION AND DECLARATION FOR FREE ENTRY OF CANADIAN PRODUCTS OR GOODS RETURNING

Custom loves invoices for everything. This is an invoice for "Canadian Goods Returning". It is an example from my own shipping. Created in Word.

You can apply to the tax department for a Revenue Canada Business number.

Certificate of Canadian Origin(Returning)

This is similar to the Export document, but emphasizes the return of Canadian goods. Created in Word.

Create a label to be used for the Return Shipment, and include it with the 3 copies of each document, the return Waybill, return instructions and the plastic pouch, inside the package.

UPS Accounts: Canada – RXXX

Return Invoice:

AUTHORIZATION AND DECLARATION FOR FREE ENTRY OF CANADIAN PRODUCTS OR GOODS RETURNING

PRODUCER NAME AND ADDRESS

Attn: Raymond St Arnaud XXXXXX XXXXXXX Street

Victoria, BC, V8R XXX Canada

REVENUE CANADA BUSINESS NUMBER XXXXX XXXXR

REASON FOR RETURN RETURNED FROM:

XXXXXXXXXXXX Foundation

Goods Not Sold XXX XXXXXX Avenue, Belmont, CA 94002

DESCRIPTION OF GOODS MARKS, NUMBERS, AND DESCRIPTION OF ARTICLES RETURNED

Framed Work of Art, Photograph, The Copyright symbol, the year of creation and the name

St Arnaud appear as an integral part of the image. e.g. ©2008 St Arnaud

HS TARIFF CLASSIFICATION NUMBER

9702.00.000

DECLARED VALUE IN CANADIAN DOLLARS.

Value \$1.00 Per Item Total Value \$1.00
Temporary Export Of Original Works Of Art Returning
Return of Personal Effects,
No Commercial Value,
Canadian Goods Returning

I CERTIFY THAT:

THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH REPRESENTATIONS. I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENT OR MATERIAL OMISSIONS MADE ON OR IN CONNECTION WITH THIS DOCUMENT.

I AGREE TO MAINTAIN, AND PRESENT DOCUMENTATION NECESSARY TO SUPPORT THIS DECLARATION, AND TO INFORM, IN WRITING, ALL PERSONS TO WHOM THE DECLARATION WAS GIVEN OF ANY CHANGES THAT COULD AFFECT THE ACCURACY OR VALIDITY OF THIS DECLARATION.

THIS DECLARATION CONSISTS OF PAGES.

AUTHORIZED SIGNATURE COMPANY

Raymond St Arnaud

NAME TITLE

Raymond St Arnaud Owner, Sole Proprietor

DATE (DD/MM/YY) TELEPHONE VOICE Email

250-XXX-XXXX XXXXXX@shaw.ca

Certificate Of Canadian Origin/Certificat D'Origin Canadianne (Temporary Export Of Original Works Of Art RETURNING /Exportation Temporaire D'Oueuvres D'Art Original RETOURNER)

Identification Of Artist/Indentification De L'Artiste				
Name/Nom Raymond St. Arnaud xxxx xxxxxxx Street Victoria, BC Canada V8R xxx				
The Artists is a Canadian citizen/L'artiste est un citoyen du Canada. ☑ Yes/oui □No/Non				
The Artist Is The Owner Of The Work/L'Artiste Est Le Proprietaire De L'Ouvre El Yes/oui No/Non				
The artist confirms that the original work identified was completed while a resident of Canada. The artist affirms that that the work is his/her property and that the use of this Certificate for re-entry of the work after temporary export shall indicate that no change of ownership has taken place since the date of issue.				
I understand that it is a serious offence to make a false or misleading statement, and affirm that the above representations are true.				
L'artiste affirme que l'ouvre originale ci-dessus identifiée a été achevée pendant qu'll (elle) residait au Canada. L'artiste affirme que l'ouvre est sa propriété et que la présentation de ce certificat indique que, en cas d'une rentrée de l'ouvre après son exportation temporaire, il n'y apas eu de changement de propriétaire depuis la date de sa signature.				
Je comprends que l'act de faire une déclaration fausse ou trompeuse constitue une grave infarction et affirme que la déclaration ci-dessus est exacte.				
Artist/ArtistseRaymond St. Arnaud Signed/Signature				
Date				

Certificate Of Canadian Origin/Certificat D'Origin Canadianne (Temporary Export Of Original Works Of Art/Exportation Temporaire D'Oueuvres D'Art Original)

Identification Of Work/Identification De L'Ouvre						
Name/Nom	Raymond St. Arnaud					
Address/Addresse	xxxx xxxxxxxx Street					
	Victoria, BC Canada V8R XXX					
Notes/Remarques The date, copyright symbol and the name St. Arnaud appear as an integral part of the image.						
The same of the sa						
Title/Titre	_ Blinds, No. 3	Medium/MediumPhotographic Print				
Dimensions	11hx14w inches	Date Of Completion/Date d'achèvment2008				

Return Instructions Included with documents for return shipment.

Dealing With UPS for Shipments from the USA to Canada

Sometimes, actually quite often, when you call UPS (USA), you will get an operator who is totally unfamiliar with shipping to Canada. It seems that answering the phone is a training ground for UPS personnel. They may tell you that the only way to ship to Canada is by 3 Day Express shipping. This is not true. You can ship with 5 day Standard delivery. Tell them you can verify this by going to the UPS web site, www.ups.com , and use the rate calculator.

DO NOT return an empty crate. The costs of Shipping is greater than its replacement cost. Recycle or destroy the crate and destroy the return documents.

Remove any old UPS tags or labels. Remove any of the documentation that was in the pouch for the shipment to you and discard them.

Customs and other brokerage charges and taxes have been charged to my UPS account.

Use the following documents for the return shipment.

- 1 Self Adhesive Return Address label.
- **2 -** Return Shipping UPS Waybill, completed that includes my UPS account numbers for any additional charges.
- 3 3 copies of a NAFTA Certificate of Origin. Dated Jan. 1, 2010 to Dec. 31, 2010
- **4 -** 3 copies of "Certificate Of Canadian Origin (Temporary Export Of Original Works Of Art)
- **5 -** 3 copies of Authorization and Declaration For Free Entry of Canadian Products or Goods Returning
- **6** A copy of the waybill for the shipment from Canada to your location. This helps prove to Canada Customs that the shipment originated in Canada and that it is "Canadian Goods Returning".

Place these with the Shipping Waybill in the Document Pouch on the outside of the crate. This is a great help to me when the artwork passes back through Canadian Customs.

These documents are important. If they are not in the outside document pouch, UPS will charge me Sales Tax and a higher brokerage fee. I usually get this refunded but it takes several months. There is nothing illegal about the declared values, as the returned goods are mine there is no tax or duty, regardless of the declared value. The only change is the brokerage rate charged by UPS which starts from nothing for shipments under \$20.00. UPS also does not insure art work. So declared value has no significance in that regard.

Please keep this as a reference for 2 weeks. It is possible, an average of 1 out of 10 shipments, that UPS will call and question the declared value of \$1.00. Please confirm that is the declared value.

Thanks in advance for your help and consideration. Raymond XXXXXXX 250-xxx-xxxx xxxxxxx@shaw.ca

USA Income Tax ITIN Individual Tax Identification Number

USA institutions, such as public or college/university galleries report all disbursements to individuals to the IRS. They use the American Social Security number to make this report. These institutions have great difficulty paying out to individuals without a SSN.(Social Security Number)

The solution is for you to acquire a USA tax number. Its called the "Individual Taxpayer Identification Number" The following link deals with ITIN and has links to the required forms.

http://www.irs.gov/individuals/article/0,,id=96287,00.html

You will need to find an accountant that is registered with the IRS as an "Acceptance Agent".

Go to:

http://www.irs.gov/individuals/article/0,,id=96304,00.html

Click on Canada to get a list of Canadian Acceptance Agents.

They will charge you a fee based on their hourly rates.

Links

North American Free Trade Agreement Certificate of Origin

cbsa-asfc.gc.ca/E/pbg/cf/b232/b232-eng.pdf

Individual Taxpayer Identification Number

http://www.irs.gov/individuals/article/0,,id=96287,00.html

http://www.irs.gov/individuals/article/0,,id=96304,00.html

Templates

Certificate of Canadian Origin Returning.rtf
Certificate of Canadian Origin.rtf
Customs Invoice EXPORT.rtf
Declaration for Canadian Goods Returning.rtf

The CARFAC Alternative

CARFAC (Canadian Artists Representation/Le Front des Artistes Canadians) created a service to assist artist with cross border shipping. It is a Certificate of Canadian Origin that is registered with CARFAC for a fee. Details are on the CARFAC web site.

www.carfac.ca

http://www.carfac.ca/2009/12/selling-artwork-outside-canada/

lists a series of links that have mixed degrees of usefulness for the day to day issue of sending and returning art. It is intended to supplement an article in the winter issue of the CARFAC newsletter. Members can request copies.

To quote from a CARFAC Advisory Note (Exhibiting/Selling Your Artwork Outside Canada By Jim Graham © September 2002),

CARFAC National has been authorized by Canada Customs and Revenue Agency to issue an official "Certificate of Canadian Origin" to verify that the item is an original work of art being temporarily exported. (The Certificate was developed in response to artists charged GST on their work returning to Canada from exhibitions in the U.S.) The certificate is validated by the CARFAC National seal and one certificate is required for each individual work of art. Once completed and signed, send the Certificate(s) to CARFAC National along with a fee of twenty dollars for the first certificate and five dollars for any others being sent at the same time. CARFAC members pay only ten dollars for the first certificate and one dollar for any others at the same time.

The following, also taken from the same CARFAC Advisory Note, is no longer valid, in that the 'professional artist status' program was discontinued many years ago.

"It is also possible to apply to the U.S. government for professional artist status if one plans to exhibit or market in the U.S. on a regular basis." (Discontinued)

If you need more information on the formal process, the CARFAC newsletter, Winter 2009, is a good source. You must join CARFAC to be able to receive the article.

Temporary Import Bond (T.I.B.).

For an artist who is primarily concerned with exhibition, this document does not seem relevant. I've never used it and USA customs have never refrenced or requested it in any of my discussions. It is usually associated with goods entering duty free and remaining in the USA for more than a year.

As there is no duty on art, I don't see how it would be of any use getting tangled up with securing a bond.

U.S. Consumption Entry Form

Another form that I hve never used. It applies to most commercial goods entering the commercial trade in the USA. There is an informal side to this that allows import for personal use that does not require bonds or forms. Considering that art can have an unpredictable life as a commodity, I would judge this form as not very relevant.

The Post Office

The Post Offic is a good choice sometimes, sometimes a bad choice. It works well within the country of origin, but once your package crosses the border, you can no longer track your package.

If there are difficulties at the USA receiving side, on issues like duty, taxes etc. they may be more difficult to reconcile. This is especially true of the American recepient whose time and interest in resolving these issues may vary with the individual or their position in a office structure.

With UPS, an artist can call UPS Canada and get assisstance in intervening with the personel at UPS USA. I am at a loss as to how to do the equivalent with the USPS (US Post Office).

Insurance and Other Indicators of Value

Anything that indicates that the art is worth more than \$1.00, will likely trigger a response to increase the value to the new level, subject to, brokerage fees, duties, taxes, etc.

Do not include anything that indicates higher value in your documentation, or inside the packaging. That information should be sent as a seperate envelope.

Finding Exhibition Opportunities

Right off the top, I have to recommend "Art Opportunities Monthly"

http://www.artopportunitiesmonthly.com/

I have subscribed to several different lists that provide exhibition opportunities. What distinguishes this list from other lists is the screening that eliminates postings that are of no benefit to an artists. There are a lot of postings whose sole function is to generate income from entrance fees for the organiser.

Key Words and Phrases

Some key phrases used in dealing with Customs

Canadian Goods returning
Personal Effects Returning
Temporary Export of Original Works of Art
Temporary Export of Original Works of Art Returning
No Comercial Value
Educational Materiel.
Authorization and declaration for free entry of Canadian products or goods returning