



Newport-Lyman Logistics Inc.

CUSTOMS BROKERS AND FREIGHT FORWARDERS

DIRECT PAYMENT OF G.S.T. BY "IMPORTER"

On January 4th, 1995 Canada Customs introduced a new initiative to allow Importers to pay the GST on imported goods on a monthly basis through their customs brokers. This method reduces that amount of security a customs broker must provide to the government resulting in saving to the importer.

The following rules, are laid down by Canada Customs, apply:

1. The customs broker must obtain a separate cheque, drawn on a Canadian Bank, payable to THE RECEIVER GENERAL FOR CANADA for presentation with the brokers cheque for payment on the monthly K84 invoice to Canada Customs.
2. ~~If an importer does not provide the cheque for the GST to the broker by the due date (last business day of each month) the broker must provide the name, address and telephone number of the importer to Canada Customs along with a list of transactions involved for reconciliation against the K84 invoice. Canada Customs will then initiate collection action for the unpaid GST. The first step taken will be to freeze all tax refunds until payment with applicable interest and penalties, is received.~~
3. Nonpayment by importer will result in non-release by Canada Customs of further shipments throughout Canada until payment is received.
4. The customs broker must retain on file a signed agreement with each importer who intends to pay their GST directly to Revenue Canada, which confirms that the importer is assuming full responsibility for those payments.

For importers who wish to utilize this method of payment, Newport-Lyman Logistics Inc., will provide a statement of the GST, by transaction. The importer's cheque for payment of the GST (dated the last working day of the month) must reach Newport-Lyman Logistics Inc. the second last working day of the month in order to be submitted to Canada Customs in a timely fashion.

Thank you for your consideration.

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