The Administrative Monetary Penalty System (AMPS)
Tips to help you verify your compliance

What is AMPS?

The Canada Customs and Revenue Agency (CCRA) has a new penalty system, called the Administrative Monetary Penalty System (AMPS). AMPS addresses non-compliance with customs legislative, regulatory, and program requirements.

On December 3, 2001, we implemented part of the AMPS program. We began with the commercial stream, with penalties for five contraventions of the Customs Self-Assessment (CSA) program. We also introduced a transition period for the remaining commercial AMPS penalties, to give clients time to assess the potential impact on their customs activities and bring their systems into full compliance. During this time, we issued warnings only. We have extended the transition period to October 7, 2002.

If you are a member of the trading community, we encourage you to use this additional time to get ready for AMPS. Feel free to contact us if you need help in improving your level of compliance.

Getting ready for AMPS

If you are involved in importing or exporting goods and you continue to comply with customs requirements, AMPS will not affect you.

If you are unsure whether or not you will be affected, make sure you understand your obligations and then assess your state of compliance. We want to help you achieve and sustain compliance over time—not just improve compliance on a "hit-and-miss" basis. This means you need to look carefully at all your customs-related business systems, processes, and procedures.

If you export goods, make sure you are aware of your customs reporting requirements.

Since expedited release privileges will be linked to your compliance record, your record is very important to your bottom line.

Sample checklist for importers, exporters, and service providers[*]

Look at your customs-related systems, processes, and documents

❑ Have you consulted with your service providers (e.g., your broker or customs consultant), or with the CCRA to verify that the tariff classification, tariff treatment, and valuation of the goods you import and export are in accordance with the requirements of the *Customs Act*, and the *Customs Tariff*?

❑ Can you produce the customs documents and supporting information, including certificates of origin, that we need to verify your import and export transactions?

❑ Have you ensured that your imported and exported goods comply with the requirements of other departments and agencies (e.g., the Department of Foreign Affairs and International Trade, or the Canadian Food Inspection Agency)? Do you have all the necessary licences and permits?

❑ Are your goods subject to dumping or countervailing duties? If so, do your procedures ensure compliance with customs requirements?

---

[*] This is only an example. It may not include all areas of your business systems and processes that you should verify for compliance with customs requirements. Contact Client Services at your regional customs office for more information.

❑ Is your carrier aware of customs reporting and release procedures and the documents required for international shipments?

Verify the links between your customs program and your accounting systems and procedures

❑ Are there systems links between your customs documents and your purchasing, receiving, vendors' invoice, and payables processes? Have you documented these processes to identify any shortcomings?

❑ Have you verified the links between your customs documents and your accounting systems and procedures? In other words, have you selected a representative sample of transactions and conducted an audit?

Assess your level of compliance

❑ Have you determined your current level of compliance, as well as that of your service providers? Have you identified any shortcomings in your systems or processes that you need to address?

Develop and implement a compliance plan

❑ Do you have a plan to address any shortcomings you identified in your systems or processes?

❑ Does your plan include a strategy for monitoring compliance over time?

Sample checklist for carriers*

Ensure awareness of customs procedures and document requirements

❑ Are the drivers, terminal personnel, dispatchers, and traffic managers who are involved with your trans-border shipments aware of the *Transportation of Goods Regulations*? Are they aware of your company's standard operating procedures and the documents required for international shipments?

❑ If you transfer international shipments to secondary carriers, do they have the necessary knowledge of customs requirements?

Use CSA-approved carriers and drivers for CSA shipments

❑ Do you assign only pre-approved drivers with a valid CSA photo identification card to shipments consigned to CSA importers?

❑ Do you have procedures in place to ensure that CSA shipments will not be transferred to non-approved carriers before being released from customs?

---

* This is only an example. It may not include all areas of your business systems and processes that you should verify for compliance with customs requirements. Contact Client Services at your regional customs office for more information.