

Guide for Bringing Artwork into Canada from the US.

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Overview

I have been in contact with a number of Canada Customs and HST officials to better understand the easiest process to bring works of art across the US / Canada border. Needless to say, it has been a learning experience. All governments pride themselves on creating a strong bureaucracy and Canada is no different.

I found that between Customs and Tax departments and even individual Customs officers, there seemed to be limitations of expertise of the overall process. So what I am about to suggest may not be 100% correct. I would welcome your feedback after crossing into Canada so I can make any adjustments to this guide.

I was reminded a number of times that “the State of Maine / Province of New Brunswick Cultural Memorandum of Understanding” is a wonderful initiative at the State and Provincial level of government. However, when crossing the border between the United States and Canada it is at the federal level of government and so the Cultural Memorandum of Understanding is not a consideration.

Briefly there are two methods for bring art work into Canada.

1. Exhibition only (art works not for sale)

The first is for artwork that is for exhibition purposes only and therefore, not for sale. This would not apply to this exhibition, but here is that process:

- Optional: before entering Canada, you should register your paintings with US Customs. This will eliminate any confusion that your paintings did originate in the US and not in Canada.
- The artist contacts a broker who will require a letter of invitation from the host gallery and list of all art works. The brokers look after all the necessary customs paperwork.
- The important form is the E29B – Temporary Importation Permit.
- There are fees involved: the brokerage fee, and the 13% HST tax on the value of all artwork.
- According to the broker I contacted, the value is based on “art galleries” appraisal of the artworks in Canadian dollars and not necessarily the artist’s own arbitrary value.
- You can apply to the Canadian government for a tax refund once you return to the US. It takes 4-6 weeks for processing.

The second method and ***the one I am recommending***, is the Commercial process. This acknowledges up front, that you are bringing the artwork into Canada to exhibit and hopefully to sell. All Customs officials recognize that for most people, going through this process may seem quite intimidating but may actually be cheaper for the artist in the long run, so the effort will be well worth it.

2. Commercial Process

For American artists to bring artwork into Canada

Registering for an Import/Business number

- Before entering Canada, you need to call 1-800-959-5525 (I am told it is a North American toll free number) to obtain an Import/Business Number. I have called and found the line busy a couple of times, but kept trying until I was connected.
- Press 2 for Business Number
- Press 1 for Register (They offer four ways to register: online (RC-1 form), by fax, by mail, and by phone (I would suggest by phone).
- Press * (star) to talk with an agent. Canadian Government employees identify themselves by a number and not by name. Be sure to write down the number of the person you are speaking with.
- They will need to know if you are registering as a sole proprietor business. They also ask for your personal information, mailing address and I am sure other information as well.
- Once you have that number, you are ready to cross the border and begin the next step. If you have not taken the time to obtain an Import/Business number before hand, you will need to do so while in the border crossing office. Depending on how busy they are, and how busy the 1-800 phone line is, you may wish you had taken the time beforehand.

Optional

- You may want to consider registering your paintings with US Customs. This will eliminate any confusion that your paintings did originate in the US when you return.

At the Canadian Border

- You must cross at the new customs crossing. Not at Milltown or downtown St Stephen. This new crossing facility looks after all “commercial” inquiries.
- Be very clear with the Canada Customs officer in the booth why you are entering Canada and that you are bringing paintings into Canada for exhibition and for sale through a non-commercial gallery. Explain that you are not staying in Canada for the full seven-week exhibition and you have your business number and other documents ready for processing.
- You will be asked to park off to the side and your car may be searched and the paintings inspected.
- There are two buildings. The first is for standard processing into Canada. The second is for commercial processing.
- Follow their direct and go to where they want you to go. I assume you will end up in Commercial building. Be patient.

Inside the Customs Building (Commercial Building 506-465-2113)

- A customs officer will start to ask you questions. It will save time if you have the following materials ready to show them:
 - A letter of invitation from the Saint John Arts Centre should be presented to Canada Customs. This letter explains why you are bringing artwork across the border and who will be acting as your “agent” to sell the work. This would be considered “consignment sales”.
 - Be very clear that YOU are not personally selling the work; The Saint John Arts Centre is.
 - A list of all artworks: titles, size, medium and value (in Canadian dollars). The top of the list should read: Invoice or Manifest.

- Your Import / Business Number
- You will be directed to a computer to fill out a digital form (B3 form I believe). You will be entering your business number, the list of artworks, your contact information and the Harmonized Tariff Schedule (HTS) product code. (paintings, drawings and pastels #9701.10)
- The HTS codes used by both US and Canada Customs and are specific to the type of artwork according to materials used. For the full list see the US Customs website:
<http://hts.usitc.gov/Table%2049.xml>
Paintings, drawings and pastels #9701.10, Sculpture #9703.10, Photographs #4911.91, Printed promotional materials #4911.10, and Wooden stands #4421.90
- This process takes about 30-45 minutes.
- You will be asked to pay **ONLY 5% tax** (the federal portion of the HST) on the total value of the artwork.
- The 5% tax can be refunded once you return to the US and apply (I believe) online.
- Once these steps have been completed, you should be free to enter Canada with your artworks.

Returning to the US

- Your first stop will be to return to the same Canadian border crossing just outside St Stephen.
- The Saint John Arts Centre will provide you with a document that lists all your artworks, including any that have sold.
- If artworks have sold, I am told by both Canada Customs and Revenue Canada sources that you will not be asked to pay any further taxes on those works. (we'll see...)
- They will provide you with a document that will allow you to go online once you have returned to the US and apply for a full refund of your 5% total value tax paid on your artworks.
- After leaving Canada Customs you would proceed to the US Customs crossing and declare the artwork, even though it all was made in the US. Present the documents (SJAC letter, Canada Customs temporary document) as proof. You shouldn't have to pay tax, duty or inspection fee since the paintings originated in the US.