



Requirements to Set Up an International Freight Forwarding Business in Canada

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The CIFFA Secretariat frequently receives inquiries regarding setting up a freight forwarding business in Canada. The following is some of the basic information that individuals or firms should know.

Are there licensing requirements in Canada?

There are no licensing requirements in Canada to set-up a freight forwarding business or NVOCC. Any person is free to do so. You only need to properly register your business for commercial activity, generally as a corporation under the *Canada Corporations Act*. You can access this information through Industry Canada, albeit we strongly recommend you use a law firm to do so.

For proper incorporation of the company, please visit the following website: <http://strategis.ic.gc.ca/epic/site/cd-dgc.nsf/en/home?OpenDocument>. Other information on starting a business in Canada can be found at other sites, including <https://www.canada.ca/en/services/business/start.html>.

Similarly, once you enter the business of international freight forwarding you will have to establish your *bona fides* with the individual carriers by land, sea and air and in some cases relatively onerous requirements will have to be met to transact business with them.

What are the requirements to become a CIFFA member?

To become a regular freight forwarding member of CIFFA, we require the demonstration of a solid background in our profession as well as other conditions such as: number of years in business, proper dangerous goods training by a minimum number of employees and proof of Liability and E&O Insurance. The specific details are available at www.ciffa.com under the membership menu. In other words, to set up a company requires minimal effort. To ensure a sustainable and successful forwarding business is a whole different challenge.

What government agencies' regulations are applicable to freight forwarders?

The Canada Border Services Agency (CBSA) offers a list of D-Memoranda which outline the legislation, regulations, policies, and procedures the CBSA uses to administer customs programs. These regulations affect the freight forwarders' business in Canada and new freight forwarding companies are encouraged to become familiar with them. Visit <http://www.cbsa-asfc.gc.ca/publications/dm-md/menu-eng.html>. In particular, two D-Memos address freight forwarding:

D3-1-1 Policy Respecting the Importation and Transportation of Goods at <https://www.cbsa-asfc.gc.ca/publications/dm-md/d3/d3-1-1-eng.html>

D3-3-1 Freight Forwarder Pre-arrival and Reporting Requirements at <https://www.cbsa-asfc.gc.ca/publications/dm-md/d3/d3-3-1-eng.html>

Why does a freight forwarder need a carrier code?

The forwarder carrier code is obtained through the Canada Border Services Agency. Details on the 8000 carrier code are found in FACT Sheet 8000-Series Carrier Code for Freight Forwarders at <https://ciffa.com/wp-content/uploads/2022/02/Freight-Forwarders-8000-Series-FACT-SHEET-Updated-April-2019.pdf>

What does a freight forwarder need to know about advance commercial information and eManifest/eHBL?

New advance reporting requirements for incoming shipments by ocean and by air are now a fact of life in Canada and naturally represent an integral part of handling incoming shipments.

Advance Commercial Information requirements and references for freight forwarders in all modes may be found at: <https://www.cbsa-asfc.gc.ca/prog/aci-manif-ipeq/req-exig-eng.html#tab2>

eManifest/eHBL information can be found in the FACT Sheet eManifest Questions and Answers at <https://ciffa.com/wp-content/uploads/2022/02/eManifest-Questions-and-Answers-Updated-July-4-2019.pdf>

When does a freight forwarder need to file export declarations?

In Canada, the freight forwarder often prepares and usually submits the export declaration as a service to the exporter. The regulations regarding exportation are found in Departmental memo D20-1-1 at <http://www.cbsa-asfc.gc.ca/publications/dm-md/d20/d20-1-1-eng.html> and all freight forwarding organizations are encouraged to participate in the Canadian Automated Export Declaration (CAED) program or in the G7 initiative.

Where can more information be found?

In closing, we encourage you to visit the CIFFA website at www.ciffa.com which has invaluable information for freight forwarding organizations in Canada. A CIFFA member of six months good standing, for example, is authorized to purchase and use FIATA documents, such as the FIATA Multimodal Bill of Lading. Also, it is very important as you open your new company and begin business, that you recognize the need to hire well educated, professional freight forwarders. In Canada, graduates of the CIFFA International Freight Forwarding Courses who hold the CIFFA Certificate and/or FIATA Diploma course: Advanced Freight Services bring the knowledge and skills needed to perform competently in this exciting, fast-paced industry.

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