

Duty Free Shop Inspection Check List

	Duty Free Shop:				
	Licence #:				
	Shop contact(s):				
	Telephone:				
	CBSA contact(s):				
	Telephone:				
	Date of last verification:				
	Inspection date:				
	Inspection conducted by:				

1	Facility & Operational Issues	<small>*M=met, NM=not met</small>
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No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
1.1	Are any site or building alterations planned, and if so, has approval been granted at the appropriate level? Remind operator to seek approval in advance of making any changes through submission of a Form BSF664.		Visual, walk-about. See if any structural/design changes have occurred. Enquire.			N/A
1.2	Are site controls in place to facilitate the direct export of the goods? Examples are provided in Appendix A.	D4-3-4 (2)	Visual, walk-about. Enquire.			C054
1.3	If not, is a delivery system, approved by CBSA in use (i.e. gate delivery system)?	D4-3-4 (2)				N/A
1.4	Was the Border Services Officer (BSO) given free access to the DFS?	D4-3-7 (5)				C046
1.5	Did operator fail to or refuse to open any packages, container, or remove any coverings?	D4-3-7 (6)				C047

2	Signage & Client Service
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No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
2.1	Is site required to provide service in both official languages? If required, is service available in both official languages?	Reg. 13(c)	Compare to the Burolis database.			N/A
2.2	Are customer sales receipts in both official languages?	D4-3-5 (50)	Visual			N/A
2.3	Are notices displayed in both English and French indicating:		Visual			N/A
	i) that the goods sold are for immediate exportation only and must be reported under the Act if they are returned to Canada.	Reg. 13(d)(i)				N/A
	ii) the circumstances in which goods imported into the U.S. by individuals exempt from duties.	Reg. 13(d)(ii)				N/A
	iii) the circumstances in which goods imported into Canada by individuals are exempt from duties.	Reg. 13(d)(iii)				N/A
2.4	What are the hours of operation? Have hours of operation changed and if so, was Form BSF664 completed and submitted?	D4-3-2 (35)	Verify current hours of operation to hours of operation on file.			N/A

3 Inventory Controls

No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
3.1	Is there any evidence that goods are being offered for sale prior to being accounted for in the prescribed manner?	Reg. 16(2)	Visual inspection / Question.			C057
3.2	Are regular physical verifications of stock quantities conducted?		Question whether this is taking place, and if so, are any records kept. Although not required, records would help substantiate this is taking place.			N/A
3.3	Does the stock on hand correspond with the current inventory records? An inventory template is provided in Appendix B.		Randomly select 3 products from each sale category and perform physical count of inventory. Compare physical count to DFS's updated current inventory summary.			N/A
3.4	Has the stock, offered for sale, been accounted for and entered in inventory?	D4-3-5 (35)	Randomly select 3 products offered for sale in the retail area. Ensure the items have been entered in stock inventory and perform a physical count.			N/A

4 Record-Keeping Requirements

No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
4.1	Ensure sales receipts include the following:	D4-3-5 (50)	A copy should be maintained on file.			N/A
	Date					N/A
	Product Code					N/A
	Selling Price (Actual & discounted)					N/A

M = Met NM = Not Met

	Quantity				N/A
	Total value				N/A
	Statement "Goods sold are for export only and must be declared to CBSA if returned to Canada"				N/A
	Vehicle License number or flight number		Review receipt copies.		N/A
	Sales invoices are in triplicate				N/A
	Voided sales are noted as such on customer copy		Review receipt copies and ask about procedure.		N/A
4.2	Does the shop retain documents relating to the purchase, import, export by sale, and transfer of goods, and the payment of duties and/or taxes for a period of six years?	D4-3-5 (8)	Ask to see documents dating up to six years prior		C160

5 Reporting Requirements

No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
5.1	Are goods formally accounted for at the CBSA within 5 days from their delivery date?	D4-3-5 (18)	Review paperwork submitted to the CBSA.			N/A
5.2	Are the B116 OUT submitted in frequency of at least monthly?	D4-3-5 (26)	Review paperwork submitted to the CBSA..			N/A
5.3	Are samples, perfume testers or other promotional items duty and tax paid (i.e. accounted for, where appropriate on a B3 document)?	D4-3-5 (40)	Review paperwork submitted to the CBSA.			N/A
5.4	Does DFS have any off-site display of products? If so, are these goods duty and/or tax-paid?	D4-3-5 (43)	Question / Review paperwork submitted to the CBSA.			N/A
5.5	Does DFS transfer products to another DFS? If so, are they approved by CBSA and how are the goods transported?	Reg. 18(3)(4)	Question / Review paperwork submitted to the CBSA.			N/A

6 Access & Security Controls

No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
6.1	Are there mechanisms in place which ensure all goods sold are exported from Canada? Example export mechanisms are found in Appendix C.		Visual, walk-about.			N/A
6.2	Is Access to the warehouse receiving/holding area of the shop restricted?	D4-3-4 (5)	Visual, walk-about. Ensure access is restricted.			C054
6.3	Is access to inventory records and accounting control systems controlled?		Visual, walk-about, enquire about security.			N/A
6.4	Are premises maintained in a manner that ensures the physical security of the inventory therein?	D4-3-5 (7)	Visual, walk-about.			C054
6.5	Licensee, when requested, presented documents as required in DFS Policy and Regulations. Examples are found in Appendix D.	D4-3-5 (8)	Request documents.			C163

7 Other Restrictions / Regulations

M = Met NM = Not Met

No.	Audit Criteria:	Reference	Means of Assessing	M	NM	AMPS
7.1	Is Tobacco sold to persons under 18 years or is liquor sold to persons deemed to be minors under the laws of the province in which the DFS is located?	Reg. 19 D4-3-5 (53)	Visual, enquire about policy and standard practices. Verify identification of 1 client.			C064
7.2	Do any stock items include any specimen of endangered wild flora or fauna or derivatives thereof as outlined in the Export and Import Permits Act handbook?	D4-3-5 (5)	Visual, walk-about. Review inventory/product list.			N/A
7.3	Are known controlled or prohibited goods which have been identified as such under the laws of a country of destination sold unless <i>specific</i> exemptions are allowed for under those laws? (i.e. Cuban <i>cigars</i> , Persian rugs etc.)	D4-3-5 (4)	Visual, review inventory/product list			N/A

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