



COVID-19 Commercial Update to Industry Stakeholders May 15, 2020

KEY MESSAGE

With the upcoming Victoria Day long weekend and the warmer weather ahead, the Canada Border Services Agency is reminding all travellers that the travel restrictions announced in March are still in place at all of Canada's international border crossings.

Key Issues

Automatic Waiver of Late Accounting Penalties

- On March 19, 2020, via [Customs Notice 20-10](#), the CBSA announced the automatic waiver of late accounting penalties for all transactions released from March 11, 2020, to May 14, 2020, inclusively.
- On March 27, 2020 the CBSA, in accordance with the Prime Minister's announcement, confirmed an extension of timeframes for the payment of duties and taxes owing to June 30, 2020. The importing community was also notified, at that time, that there was no change being made to existing accounting timeframes prescribed by [Accounting for Imported Goods and Payment of Duties Regulations](#). Importers are required to submit accounting declarations for imported goods released on minimum documentation within the required timeframes.
- **The CBSA will no longer automatically waive late accounting penalties, effective May 26, 2020.** As per standard practice, an importer may, however request a review of a late accounting penalty. Details of the procedures can be found here: [How to file a review for: Late accounting, penalties and late transaction payment interest](#)

Other Sources of Information

- Official updates on COVID-19 are available on the [Government of Canada website](#).

Contacts

If you have any follow-up questions, please send to the BCCC at
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Border Information Service (BIS) line: Within Canada (Toll-free) - 1-800-461-9999
Outside Canada (Long distance charges apply) - 1-204-983-3500

Annex A - Commercial Issues Follow-up document

The CBSA is aware of concerns raised by various stakeholders and it is currently exploring ways to address these concerns, where legislation permits. We are working through the following requests and sending daily communications using the Border Commercial Consultative Committee (BCCC) network.

Thank you for your patience. If you have any questions or concerns please contact the [BCCC mailbox](#).

Synopsis

For further information related to temporary measures such as extension of timeframes, late accounting penalties, importation of emergency goods and system changes, please visit [CBSA Customs Notices](#) web page.

For information regarding essential workers please consult [Transport Canada](#) website.

For more general information on Government of Canada (GoC) measures on essential goods, please refer to [GoC New Releases](#).

Subject Matter	Question/Concern	Comment/Status
Shipping	Clarity is requested for Customs Notice 20-19 as there is confusion whether this only applies to medical goods and Personal Protective Equipment or that in fact it is any item in these classification areas. Are all tariff classifications under 3926.90.00 now duty free even if not COVID-19 related?	Resolved - The Remission Order announced on May 6, 2020 and further detailed in Customs Notice 20-19 waives Customs duties on a list of selected tariff items at the 8 digit level. As such, the Order applies to goods that are not exclusively medical supplies or PPE where other goods can be classified under these tariff items. For that reason, CBSA ensured that the note in Appendix A of Customs Notice 20-19 specifies that the descriptions are only for information purposes.
Border Procedures	Can CBSA provide detailed instructions for drivers on what they are expected to do when arriving at primary inspection lines (PILs)?	Resolved - The CBSA provided instructions on the April 24 th Bulletin, Annex A titled Initiatives to Limiting Physical Interactions.
Essential Goods Relief goods	Emergency Order and Tariff item 9993.00: We remain concerned with the narrow application of Customs Notice 20-08. We believe that restricting this order to scenarios where the special class of importers must be named as the importer or consignee with the shipment delivered directly to them, creates an extra layer of cost and administration to all parties in a time that we all agree is unprecedented.	Resolved - The CBSA published an updated Customs Notice on April 6, 2020 expanding the application. No further expansion of the application is planned.
Paper processing issues and electronic alternates	Will CBSA accept by email, release requests including required attachments, that currently can be filed only as hard copy? Will CBSA accept by email, requests for the temporary entry of goods? Employees of customs brokers and importers working from home often do not have access to fax machines. Faxes are required for RMD corrections. CBSA Montreal already has this process in place. Will this option be extended to all ports? Customs brokers and importers continue to file new and amended bonds for release prior to payment. It is recommended that a temporary procedure be implemented to allow for the filing of bonds by email.	April 3, 8 and 22 Bulletins published the list of Ports participating Electronic Longrooms accepting e-submission and which documents are permitted via electronic ways. Any added participants will be announced via future bulletins.

Systems	Will there be a hold placed any significant border modernization efforts (CERS, SWI, etc.)? Food supply chain networks are overwhelmed with ensuring continuity of business at this time.	Resolved - Due to the Covid-19 pandemic, the CBSA will be delaying the decommissioning of the legacy OGD service options until a date later to be determined. Clients may continue using the SWI IID or the legacy service options (OGD-PARS, OGD-RMD) to obtain release of OGD regulated goods. Additionally, the Canadian Automated Export Declaration (CAED) decommissioning date has been extended from June 30, 2020 to September 30, 2020.
Timeframes/ Extensions	Impact and concerns related to the implementation of CUSMA on July 1st.	Resolved - Customs Notice 20-14
Process	Are <i>Special Import Measures Act</i> (SIMA) duties deferred under the Deferral Payments as outlined in Customs Notice 20-11?	Resolved - The deferral applies to all duties assessed pursuant to the SIMA. These duties remain in force and continue to be assessed, with payments required within the new timeframes.
Essential Services	Drivers are being repeatedly told to self-isolate for 14 days upon return from the US, even though they are exempt. Please clarify.	Asymptomatic persons in the trade and transportation sector who are important for the movement of goods and people, including truck drivers and crew on any plane, train or marine vessel, and that cross the border are exempt from the 14 days mandatory quarantine (self-isolation) while performing their duties or for the purpose of performing their duties. If they are not performing their duties they must follow the self isolation protocol until they return to perform their duties. This means they must practice physical distancing and self monitor for symptoms, stay in their place of residence as much as possible, and follow the instructions of their local public health authority if they feel sick. Example: A Truck driver arrives in Canada and is not scheduled to return to work for five days. They must self isolate for the five days while they are not performing their duties then return to work and begin the same self isolation process once they return to Canada for the duration they are not working. If truck drivers are not working for 14 days then they must follow the mandatory 14 days self isolation requirements. At anytime if they develop signs or symptoms of COVID-19 such as; cough, shortness of breath, or fever equal to or greater than 38°C, or signs of fever e.g. shivering, flushed skin, excessive sweating during the 14 day period which started the day they entered Canada, they must immediately self isolate themselves and contact a local public health authority and follow their instructions as soon as possible.
Border Procedures	Will travel for truck drivers 70 years of age or older be restricted both north/south?	Resolved - The CBSA has been made aware of comments from the trucking industry relating to travel restrictions of commercial drivers based on age. While the response to the COVID-19 pandemic remains fluid, commercial trucking is deemed as an essential service and those that are in good health can continue to work. There has been no discussions on limiting travel based on age within the current restrictions. We would like to remind our industry partners to continue to follow the Public Health Agency of Canada (PHAC) recommendations and requirements, as well as provincial regulations, in order to ensure the health and safety of our clients and employees.
Timeframes/ Extensions	The CRA will not contact any (SME) businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks. For the vast majority of businesses, the CRA will temporarily suspend audit interaction with taxpayers	Resolved - Due to the impact that COVID-19 is having on individuals and businesses, the CBSA has temporarily suspended trade compliance activity interaction with importers/exporters and representatives. All deadlines imposed in connection with the verification are automatically extended by a period of time equivalent to the period of

	and representatives. Is CBSA considering the same measure for Trade Verification Audits? During compliance verifications, CBSA issues interim reports. Will the 30 day time frame for a reply to the interim report be extended?	suspension. Given the circumstances, the length of this suspension period may be re-evaluated at a later date. For greater clarity, the CBSA is continuing to process drawback claims, applications for the Duties Relief Program, and B2 requests for adjustments, and these are unaffected by this temporary suspension.
Timeframes/ Extensions	Has CBSA developed any guidance on possibly deferring the issuance of penalties in such cases where Advanced Commercial Information (ACI) is not being submitted within the required timeframe of 24 hours before sailing (i.e. ACI is submitted before sailing but outside the 24 hour timeframe or after the vessel has sailed) and/or developing some alternate processes/timeframes for ACI submissions given the current challenges carriers are facing?	Given the current COVID-19 situation, the CBSA remains committed to being responsible in its risk-based approach to compliance enforcement, nonetheless, carriers remain obligated to meet their reporting obligations during this time. In cases where non-compliance is detected, the CBSA is continuing to perform outreach and will consider individual circumstances in each case to ensure carriers are not unduly impacted. The CBSA recognizes the challenges being faced by carriers at this time, and is allowing for additional time for carriers to respond to outreach inquiries and additional flexibility with respect to those response deadlines.
Payment/ Penalties Timeframes/ Extensions	Would CBSA consider waiving or lowering amounts needed to be paid or secured in order to appeal as well as extend deadlines for monthly Statement of Account (SOA) payments and automatically waiving account penalties? Would it be possible for the CBSA to consider waiving the entire application process for an extension of time to file a dispute and allow for an automatic extension to file a dispute?	There is no provision in the <i>Customs Act</i> allowing the CBSA to waive the application for a request for extension as per 60.1, or that allows the CBSA to waive the requirement to pay or post security as per section 60 of the Act.
Timeframes/ Extensions	Will extensions be granted for FAST cards and things such as Trusted Trader memberships as they begin to expire?	Resolved - Commercial drivers who hold a valid FAST card that is about to expire, need to re-apply for their membership before it expires to maintain their membership and remain valid in our systems. The CBSA website will be updated accordingly.
Systems	Will the mandatory implementation date for Integrated Import Declaration (IID) remain April 1, 2020?	Resolved - Due to the Covid-19 pandemic, the CBSA will be delaying the decommissioning of the legacy OGD service options until a date later to be determined. Clients may continue using the SWI IID or the legacy service options (OGD-PARS, OGD-RMD) to obtain release of OGD regulated goods.

We acknowledge that we have received the following inquiries and will update you with responses as information becomes available.

Subject Matter	Question/Concern	Comment/Status
Shipping	In light of the many closures / restrictions which have resulted due to the COVID-19 pandemic, the ability to deliver packages is being impacted which in turn are being returned back to delivery centres. With this volume increase in shipments to be returned to sender (RTS), has there been any discussion in regards to how to streamline the RTS process, without requiring individual B2's on locked out LVS and HVS submissions?	New
Process	Have you heard anything in relation to the E29B – Temporary Admission Permits?	New
Border Procedures	It would be appreciated if CBSA could provide clarification with respect to the closure of some CBSA offices and the filing of B2s and drawbacks.	

Payment/ Penalties	As Duty and GST will reside on our bonds, would a Customs Broker still be required to make all the payments when the extension ends on June 30, 2020, if a client has gone bankrupt? There is nothing in the Customs Notice 20-11 that addresses this almost inevitable eventuality unfortunately.	
Process	The CRA recently announced that they will recognize Electronic Signatures as having met the signature requirements of the Income Tax Act for T183 and T183CORP authorization forms. Revenu Québec will also recognize eSignatures for TP-1000.TE (for individuals) and CO-1000.TE (for corporations). These temporary measures will reduce the necessity for in-person meetings between taxpayers and tax preparers during the COVID-19 pandemic. Will CBSA accept electronic signatures on various forms, i.e. B2's, K32's, K32A's, K32B's etc.?	
Payment/ Penalties	CN 20-11 – Extension of Timeframes for Payment of Customs Duties and GST: <ul style="list-style-type: none"> - Will there be confirmation that bond requirements will not be increased as well as confirming those on Interim payments will also not be required to be made? - Will there be confirmation that the liability has thus been transferred from a Customs Broker who has submitted the release on their account security to the importer during this relief period. - Does the Customs Broker submit an "I" in payment mode on the B3 data elements even though an importer does not hold a Duty Bond? 	
Process	CN 20-11 – Extension of Timeframes for Payment of Customs Duties and GST: <ul style="list-style-type: none"> - Will CBSA continue to process B2 adjustments? - Are Detailed Adjustment Statements (DASs) still being distributed via mail? - Will CBSA continue to process and disburse credits (i.e. refund cheques) to further support business cash flow and under what time frames? 	
Payment/ Penalties	Various Questions following release of CN 20-11: <ul style="list-style-type: none"> - Does the announcement apply to all size and types of business? - How will interest be calculated, if at all, on any duty and tax payments deferred? - What happens to import bond amounts? - Does it apply to all modes of transportation? - How does this impact the filing of an appeal, if at all? - How does this apply to customs brokers that are paying on behalf of customers? 	Partial Answer only - The deferral applies to all commercial clients who hold accounts with the CBSA. This applies to all modes so long as the commercial client holds an account with the CBSA.
Vessels	Regarding Vessels: <ul style="list-style-type: none"> - 1/120th B3 (initial entry) - if CBSA/Transport Canada is shut down and officers are not available, how do we present the entry and authority for the C48 (Coasting Trade License)? - 1/120th B2 monthly extensions - if CBSA is shut down and officers are not available, what will be the procedures for payment and extension of the C48s next 30-day period? 	

	- If a vessel is delayed entering Canada due to Covid-19 restrictions, will there be an extension of the "two-week window" for the start/end dates of the authority for the vessel to work in Canada? It takes 30 business days to reapply so this will not be practical in some cases	
Shipping/CLVS	Will CBSA be looking into the below options? Option 1: Allow for the use of the CLVS clearance program for freight shipped directly to Canada from overseas in the marine mode. Option 2. Allow for the use of the CLVS clearance program for overseas freight shipped directly to the United States and moved in-bond and in-transit through the U.S directly to Canada via highway truck. The freight would remain in-bond under CBP customs control and upon arrival in Canada an approved CLVS program participant will submit the required documents i.e. Courier Consist Sheet for release under the CLVS program.	
Payment/ Penalties Timeframes/ Extensions	Will CBSA extend timeframes for B2 Refunds and Drawbacks and allow for electronic submission of documents as well as not issuing any Administrative Monetary Penalties (AMPs)?	Partial Answer only - CBSA issued Customs Notice 20-10
Timeframes/ Extensions	Will CBSA be temporarily halting new information requests to importers, relating to <i>Special Import Measures Act</i> (SIMA) inquiries? If not, will you extend the timeframe for official SIMA requests for information?	
Timeframes/ Extensions	In those situations where a time limit to request a refund or drawback under the <i>Customs Act</i> is nearing expiration consideration, will the filing deadline be extended?	
Approval Process	Will emails granting a customs broker authority to act or e-signatures on Agency agreements be sufficient when CBSA requests proof of such authority?	
Timeframes/ Extensions	The Chamber of Commerce notified CBSA that there are a lot of US carnet holders as well as other foreign carnet holders with goods currently in Canada under a carnet that may not be able to re-export the goods on the carnet from Canada prior to the expiry date of the carnet, depending how long this continues. Will we receive policy guidance if that does occur?	
Paper processing issues and electronic alternates	Surety Association of Canada recommends digital bonds to minimize the impact and/or delays resulting from the COVID-19 crisis. Will this be an option?	