

March 22, 2020

Dear Mr Rochon and Mr. Ossowski,

First, thank you Mr. Ossowski for the positive response to the request for deferral of a date for decommissioning service options related to the implementation of IID. We believe this decision is critical to ensure that goods subject to requirements of other government departments will move quickly and compliantly across our borders, so that food is on store shelves for all Canadians, and health care equipment and medical supplies are available to medical professionals during the COVID-19 pandemic.

This afternoon (Sunday, 22 March) importers and customs brokers who manage payment of duties and taxes to the Government of Canada each month received the following notice, which indicates that there will be no relief from the obligation to remit in full duties and taxes on the due date of April 1st:

*“Importers, or brokers acting on their behalf, are still required to submit accounting declarations within the required timeframes. At this time, the CBSA expects importers and customs brokers to submit their payments for March 2020 Statements of Account on the due date of April 1, 2020 for payment of duties and GST.*

*The Government of Canada will continue to monitor evolving economic conditions and seek other relief options should they be necessary.”*

In contrast, at the end of last week, we received the following notifications from US Customs and Border Protection (CBP):

*“Due to the severity of Novel Coronavirus Disease (COVID-19), U.S. Customs and Border Protection (CBP) will approve on a case by case basis additional days for payment of estimated duties, taxes and fees due to this emergency. Please note we are working on a future message that will provide further information.”*

*“Due to the fact that COVID-19 is having a major impact on the Trade industry, U.S. Customs and Border Protection (CBP) is now accepting requests for duty-payment extensions. Interested parties should send requests to Director Randy Mitchell by email at [randy.mitchell@cbp.dhs.gov](mailto:randy.mitchell@cbp.dhs.gov). CBP expects to issue a Federal Register notice in the immediate future with details on a longer-term, broader extension policy.”*

We recognize that the United States does not have a GST/VAT collected at the time of import, but it is providing a route to accommodate requests for extension of duty payments while the door is currently closed here in Canada. This will cause hardship to businesses which are

already dealing with significant dislocation as they support our government's call to action to respond to the pandemic.

CSCB Chair David Bosse, an executive with a major custom brokerage firm in Calgary describes things this way:

"We are seeing importers either reducing staff, losing staff to self-isolation or implementing plans for work forces to work from home in compliance with social distancing requests from government. This need to adapt to a totally new working reality affects large and small business alike, creating backlogs in ongoing workloads as companies rush to enable dozens, hundreds or even thousands of employees to work electronically from home – a daunting challenge if indeed it is able to be done. And we are seeing production lines shut down.

Customs brokers are already seeing delays in payments, and importers asking for longer terms to allow them more time to review and process payments as a result of COVID-19 challenges. The need to manage higher receivables as clients extend their terms creates financial strain for all customs brokers, many of which are small businesses. The reality is that it will not only take more time to process payments, but also more time to collect from our clients due to their processing challenges. Thousands of importers look to their customs brokers to manage this process on their behalf and, while the brokerage industry is strong, we do not have unlimited resources or capacity under these circumstances."

Speaking on behalf of clients and customs brokers, the CSCB requests consideration of some flexibility in the payment deadline this month and moving forward. All agree there will be financially challenging, if not devastating, weeks and months ahead. We appreciate every effort the Government of Canada is making with investments to help Canadian citizens and businesses under these unprecedented circumstances due to COVID-19. Flexibility in the area of payment of duties and taxes could very well be a lifeline for many Canadian businesses and is necessary now.

Yours sincerely,

A handwritten signature in cursive script that reads "Carol West".

Carol West  
President & CEO,  
Canadian Society of Customs Brokers,  
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## **ABOUT THE CSCB**

Canada's customs brokers contribute to the security of our borders while facilitating the movement of low-risk goods across those borders. We act with legal authority on behalf of Canadian importers and exporters, and our companies are licensed by the Canada Border Services Agency. We are constructive participants in consultative bodies which inform CBSA and other agencies' policies and processes, including the Border Commercial Consultative Committee. We are committed to building the knowledge base of those involved in customs and border management, with more than 1,000 people each year involved in our e-learning programs, and about 5,00 people holding our professional designations.

The CSCB is also well positioned globally. We act as the Secretariat for the International Federation of Customs Brokers Associations (IFCBA) with members in all regions of the world, and have engaged in capacity building projects on customs modernization in Asia and Africa on behalf of the World Bank, the World Customs Organization and the Global Alliance for Trade Facilitation. We have a very close relationship with our United States and Mexican counterparts, with our three associations forming the North American Customs Brokers Alliance (NACBA). We were invited to join the Private Sector Consultative Group (PSCG) at the World Customs Organization when it was formed, and have continued to contribute to its work for the last decade, including as chair of the PSCG for three terms.