



## COVID-19 Commercial Update to Industry Stakeholders December 4, 2020

### KEY MESSAGE

**Restrictions on travel between Canada & the U.S. remain until  
December 21, 2020.**

### Key Issues

- The CBSA will not be re-issuing a blanket waiver of late accounting penalties. Importers are reminded that a request for a waiver of late accounting penalties can be sent at any time by following the established process on the CBSA website: <https://www.cbsa-asfc.gc.ca/recourse-recours/howto-commentaire-11-eng.html>.

### Reminder

- The latest up to date version of the follow-up document on commercial matters (Annex A) has been included below for your consultation.
- If the CBSA has not issued guidance regarding a change or alteration to procedure, existing procedures remain in effect (status quo remains).

### 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 [BCCC-CCACF@CBSA-ASFC.GC.CA](mailto:BCCC-CCACF@CBSA-ASFC.GC.CA)

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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
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.	<b>Updated 18-09-2020</b> - The CBSA is working on finalizing electronic procedures that would enable the submission of adjustments and drawback claims via email. A pilot is being considered for launch by the end of September 2020.
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.	<b>Updated 18-09-2020</b> - As importers are ultimately liable for payment, the unpaid accounts will be sent to CRA Collections who have informed the CBSA that they are exercising flexibility in their approach to collections including payment arrangements. If collection efforts are unsuccessful, the matter would be referred back to the CBSA. The CBSA will review on a case-by-case basis how to treat those accounts. One option could include filing a claim on a security posted to secure the transaction regardless of whether the security was posted by an importer or a customs broker. However, before doing so, the CBSA will give careful consideration to the impact on the broker's release prior to payment privilege.
Payment/ Penalties	CN 20-11 – Extension of Timeframes for Payment of Customs Duties and GST:  i - 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? ii - 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. iii - 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?	<b>Updated 18-09-2020 –</b> i - Security (bond) requirements will not be increased other than the normal annual review. Interim payments should continue to be made, but the CBSA will be flexible in determining if a broker can remain on the interim payment option given the issues brought on by the deferral period. ii - The ultimate liability for payment resides with the importer and owner. The security pledged to support the transaction is there to ensure payment. iii - No, the Customs Broker does not submit an "I" in the payment field on the B3 data elements if the importer does not have Release Prior to Payment security posted with the CBSA.
Process	CN 20-11 – Extension of Timeframes for Payment of Customs Duties and GST:  - Will CBSA continue to process B2 adjustments? - Are Detailed Adjustment Statements (DASs) still being distributed via mail?	<b>Updated 18-09-2020 –</b> 1. The CBSA is continuing to process B2 adjustments and is exploring alternative B2 filing methods (i.e. electronic filing). 2. Detailed Adjustment Statements continue to be distributed by mail. 3. The CBSA continues to process credits and strives to maintain existing timeframes.

	Will CBSA continue to process and disburse credits (i.e. refund cheques) to further support business cash flow and under what time frames?	4. Refund cheques continue to be issued.
Payment/ Penalties	<p>Various Questions following release of CN 20-11:</p> <ul style="list-style-type: none"> <li>- Does the announcement apply to all size and types of business?</li> <li>- How will interest be calculated, if at all, on any duty and tax payments deferred?</li> <li>- What happens to import bond amounts?</li> <li>- Does it apply to all modes of transportation?</li> <li>- How does this impact the filing of an appeal, if at all?</li> </ul> <p>How does this apply to customs brokers that are paying on behalf of customers?</p>	<p><b>Updated 18-09-2020</b> - There is no change related to the deferral period on importer bond amounts. Release Prior to Payment security continues to be reviewed annually.</p> <p>As importers are ultimately liable for payment the unpaid accounts will be send to CRA Collections who have informed the CBSA that they are exercising flexibility in their approach to collections including payment arrangements. If collection efforts are unsuccessful, the matter would be referred back to the CBSA. The CBSA will review on a case-by-case basis how to treat those accounts. One option could include filing a claim on a security posted to secure the transaction regardless of whether the security was posted by an importer or a customs broker. However, before doing so, the CBSA will give careful consideration to the impact on the broker's release prior to payment privilege.</p>
Vessels	<p>Regarding Vessels:</p> <ul style="list-style-type: none"> <li>- 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)?</li> <li>- 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?</li> </ul> <p>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</p>	<p><b>Updated 18-09-2020</b> -Both the CBSA and Transport Canada remain open for business.</p> <p>There will be no blanket extension to the two week window policy. The CBSA will maintain the status quo and continue to apply legislation and policy as written. If there are issues meeting the time frame, the applicant can contact the coasting trade generic email (coastingtrade-cabotage@cbsa-asfc.gc.ca) and the CBSA will liaise with the Canadian Transportation Agency and Transport Canada to see if there are any grounds where an extension can be granted for particular case. Extensions for longer periods will continue to be treated using existing policy (i.e. a new application will be required).</p>
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.?	<b>Updated 18-09-2020</b> - The CBSA is continuing to review the option of allowing secure electronic signatures in line with previously published standards from the Treasury Board Secretariat.
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?	<b>Updated 18-09-2020</b> -The CBSA is continuing to review the option of allowing secure electronic signatures in line with previously published standards from the Treasury Board Secretariat.
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?	<b>Updated 18-09-2020</b> - Internal discussions are ongoing.

**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?	
Shipping/CLVS	<p>Will CBSA be looking into the below options?</p> <p>Option 1: Allow for the use of the CLVS clearance program for freight shipped directly to Canada from overseas in the marine mode.</p> <p>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.</p>	

Previously Resolved Issues		
Subject Matter	Question/Concern	Comment/Status
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.	<b>Resolved</b> - The CBSA published an updated <a href="#">Customs Notice</a> on April 6, 2020 expanding the application.
Paper processing issues and electronic alternates	<p>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?</p> <p>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?</p> <p>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.</p>	<b>Resolved</b> -The CBSA continues to expand the list of Ports participating in the Electronic Longroom initiative, accepting certain paper release and cargo requests by email. Ports offering this service are now identified in the <a href="#">CBSA Directory</a> .
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.	<b>Resolved</b> - Due to the Covid-19 pandemic, the CBSA delayed the decommissioning of the legacy OGD service options to August 17, 2020. Please refer to <a href="#">Customs Notice 20-21</a> for the release service options that remain available.

		Additionally, the Canadian Automated Export Declaration (CAED) decommissioning date has been extended from June 30, 2020 to September 30, 2020.
Timeframes/ Extensions	Will extensions be granted for FAST cards and things such as Trusted Trader memberships as they begin to expire?	<b>Resolved</b> - 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.
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 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?	<b>Resolved</b> - The CBSA has temporarily suspended trade compliance activity interaction, which remains in effect. 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.
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?	<b>Resolved</b> - 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.