

May 21, 2024

Dominic Leblanc  
Minister of Public Safety, Democratic Institutions, and Intergovernmental Affairs

Marie-Claude Bibeau  
Minister of National Revenue

Anita Anand  
President of the Treasury Board

*Transmitted by email*

Dear Ministers,

We are writing to bring your attention to an important recent change to government processes that is having an immediate adverse effect on imports to Canada.

On May 13, 2024, the Canada Revenue Agency (CRA) ceased to provide help desk support for importers—and the customs brokers acting on their behalf—in relation to import and export business number accounts. This change was planned as one component of a two-part process in which the Canada Border Services Agency (CBSA) would take over responsibility for issuing and managing the import/export (RM) account suffixes that are attached to a company's 9-digit business number. A business number with an RM account suffix is the key identifier used by the CBSA to link import and export shipments to the entity that is responsible for them.

The CBSA was to assume responsibility for RM account management through its CBSA Assessment and Revenue Management (CARM) system, a digital tool intended to streamline the process of accounting and paying for goods entering Canada. Through the CARM Client Portal, traders would have been able to apply for a new 9-digit business number (the application would be transmitted digitally from the CBSA to CRA for approval) and they would have been able to apply for and maintain any associated RM accounts. However, on April 19, 2024, the CBSA announced that it would be delaying the implementation of CARM from May 13, 2024, until October 2024 due to the potential for labour action to disrupt CARM rollout.

No contingency plans were put in place to allow the CRA's support functionality to continue operating while CARM implementation was delayed. As a result, on May 13, 2024, customs brokers and their importer clients encountered an abrupt and extremely disruptive change to their operations: the CRA ceased to offer help desk support to those seeking importer/exporter account suffixes, and the CBSA had no technical capacity to support them either.

Late in the day on May 13 (after the change had already taken effect), the CBSA issued Customs Notice 24-18 to advise traders that requests for RM account management would henceforth be managed through the submission of PDF forms to a generic email address. New importers who

need to obtain a 9-digit business number need to submit their application to CRA through a webform process before they can seek an RM suffix from the CBSA via the PDF forms. The CRA webform application does not allow required supporting documentation to be attached to the application.

In cases where a Canadian business has an active 9-digit business number but has not yet activated an RM suffix for importing and exporting, it is currently taking several days for the CBSA to issue the RM extension. Until the RM suffix is in place, import shipments cannot be submitted to the CBSA for release consideration, and importers incur storage fees while they wait to commence the process.

The impacts were felt immediately, as you can see in the feedback we received from our members within only four days of this changed approach:

*“Response times from CRA have been non-existent and getting through the phone hasn’t been great. With regards to CBSA, we finally got a response today from one (1) of two (2) emails that we sent yesterday. It took 25 hours to get a reply and still no reply on the second email. This is going to cause additional delays for sure. Previously, a phone call would have solved these issues in minutes.”*

*“We have concerns with the CRA online webform for a BN9. The importer has no ability to upload a certificate of incorporation. The CRA requires this documentation from all NRIs [non-resident importers] when they request a BN9, so the importer will then receive an email from the CRA asking for additional information to be sent to the CRA, within a week, via two options only: FAX and MAIL. Could the CRA make a change to allow the certificate of incorporation to be uploaded with the web form? Most NRIs don’t have fax machines and the mail will not be received by the CRA within a week.”*

*“In order to validate or reactivate a dormant BN you have to call CRA and the wait time exceeds an hour. Imagine doing this several times a day? Only way to reactivate a dormant account is by phone or fax and by fax will take up to 30 days to process according to CRA.”*

*“We have a nursery stock shipment (perishable time sensitive goods), driver waiting as of this AM. The Importer has had an Importer RM account but was de-activated. The importer sent the form to CBSA at 9:37 AM, and we just got notice of re-activation at 2:38pm. Now we can finally send to ACROSS for release request by CFIA/CBSA. This same process, via CRA, would have taken literally 30 seconds over the phone.”*

*“As for the applications we have sent, it has been a slippery slope since the half hour one on Monday. One was sent late yesterday around 6pm EST, one was sent at 12.55pm EST today, neither have got a response yet, almost 24 hours later. The one from yesterday is the result of a reject and we have live freight that is sitting and awaiting this response. Business does not work like this, and we need a resolution to these delays.”*

As a participant in Treasury Board Minister Anand's roundtables on regulatory cooperation, the Canadian Society of Customs Brokers (CSCB) has heard from importer counterparts in the food, agricultural and industrial chemical sectors that Canada is viewed as an "irritating" place to do business. Our regulatory and procedural requirements do not always align with those in other countries, and they introduce administrative burden that drives up costs and delays the availability of products for Canadian consumers. Canada represents a small consumer market relative to other nations; when faced with excessive regulatory and administrative burden, some importers may view the potential profits to be made in Canada as not worth the effort.

This latest disconnect between CRA and CBSA adds to the list of irritants facing both Canadian and non-resident importers, the bulk of which are based in the United States (US). As Minister Anand works relentlessly to find points of potential collaboration with US counterparts on regulatory efficiency, it seems counterproductive to have other parts of government introducing new roadblocks into the mix.

We urge the CBSA and CRA to work collaboratively, on an urgent basis, to reinstate the business number support line functionality to ensure traders can continue to efficiently move goods into and out of Canada in support of our economy. We have heard from the CBSA that CARM is ready to be implemented, and that it was only the threat of labour disruption that led to its delay. If this is the case, we encourage the CBSA and CRA to explore options to implement the business number and RM support functionality in CARM on an expedited basis, given the impact its delay is having on daily cross-border operations.

Going forward, we urge the government to work collaboratively to determine the potential range of impacts of individual department decisions before they are implemented. Canada cannot afford to be seen as an irritating place to do business.

The CSCB, along with our industry counterparts, stands ready to assist in ensuring the continued flow of goods across borders, and we welcome an opportunity to share our expertise, experience, and informed perspectives about how to reduce trade irritants.

Best regards,



Janine Harker, President  
Canadian Society of Customs Brokers

Cc:

Erin O-Gorman, President, Canada Border Services Agency  
Ted Gallivan, Executive Vice-president, Canada Border Services Agency