



COVID-19 Commercial Update to Industry Stakeholders June 30, 2020

KEY MESSAGE

As a follow-up to the information provided yesterday that the GST/HST and customs duty payment deferral is ending as planned on June 30, 2020, please find below (Annex A) a questions and answers document that is intended to provide additional clarity.

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

End of the Deferral Period for the Payment of Duties and Taxes

On March 11, 2020, the World Health Organization confirmed coronavirus disease 2019 (COVID-19) to be a pandemic. Since then, the CBSA adopted various measures, including a flexible administration, pursuant to its authorities under the *Customs Act* and the *Customs Tariff* to provide relief to importers.

On March 27, 2020, the CBSA published Customs Notice 20-11, [Extension of Timeframes for Payment of Customs Duties and GST](#) (COVID-19) notifying importers that the government announced that the payment deadline for all statements of account for amounts owing during the months of March, April and May 2020 be extended to June 30, 2020. With the broad range of economic measures and support programs now in place, the GST/HST and customs duty payment deferral is ending as planned. As such, all statements of account become payable.

The CBSA recognizes that these are difficult and uncertain economic times. The following questions and answers are intended to provide additional clarity with respect to the June 30 payment deadline.

QUESTIONS AND ANSWERS

Q1 – Who is responsible for paying the duties and taxes owing on a statement of account?

A1 – Generally, under the [Customs Act](#), the importer or owner of goods is liable for the payment of duties and taxes.

Q2 – When do I have to pay my statements of account for the months that GST/HST and customs duties were deferred?

A2 – Importers or customs brokers acting on the importer’s behalf are expected to pay the full amount of duties and taxes owing on their statements of account by June 30, 2020.

Q3 – Which amount of my statements of account am I expected to pay?

A3 – The full unpaid amounts of the statements of account for March, April, May and June are due on June 30, 2020.

Q4 – What happens if I only pay a portion on June 30, 2020 of the duties and taxes owing?

A4 – Late payment penalty and interest may be charged on overdue accounts. When an account goes unpaid it may be referred to the Canada Revenue Agency (CRA) for collections activities. Once a Notice of Arrears is issued, importers are encouraged to reach out to the CRA for more information on the collections process and to inquire about options available to assist, which may include payment plans. If CRA collection efforts are unsuccessful, any unpaid importer accounts are referred back to the CBSA where it will be reviewed on a case-by-case basis.

Q5 – How do I request a payment plan to pay back the amounts owed on my statement of account?

A5 – The CRA is responsible for all collections activities. The CRA has indicated that they will be flexible when entering into payment arrangements. According to their [website](#), collections on new debts are currently suspended until further notice. Please contact the CRA for more information.

Q6 – Why didn’t the CBSA waive its right to make a claim against the bonds posted as part of the Release Prior to Payment Privileges?

A6 – Financial security is a requirement in order to benefit from the Release Prior to Payment Privilege. Bonds posted as financial security are required to secure the release of goods.

Q7 – Will the CBSA call upon bonds to cover unpaid statements of account?

A7 - As is always the case, the CBSA can call upon the bond posted as financial security for an importation of goods transaction. The bond is used only after reasonable efforts have been made to collect from the importers or owners.

Q8 – If I am unable to pay the full amount of my statement of account, how can I apply for a review of any late payment penalties or late transaction interest?

A8 – Requests for a review can be submitted to the CBSA. Visit [How to file a review for: Late accounting, penalties and late transaction payment interest](#) for more information. When considering case-by-case requests from importers to waive interest or penalties, the CBSA will require the importer and/or their broker to specifically identify any payments made to CBSA against their March, April, May and June 2020 statements of account.

Q9 – How will I know if amounts I paid to my customs broker have been remitted to the CBSA?

A9 – Please contact your customs broker directly to obtain confirmation that the amounts you paid have been remitted to the CBSA.

Q10 – Where can I obtain more information on the status of my account?

A10 – Please contact the Canada Border Services Agency CARM mailbox at CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca to inquire about the current status of your account.

Q11 – Have the timeframes for the payment of duties owed on commercial goods released prior to payment (i.e. on my CBSA statements of account) changed?

A11 – No. The timeframe for all those payments are described in section 10.1 of the [Accounting for Imported Goods and Payment of Duties Regulations](#).

Q12 – Is the Government of Canada considering deferral should the pandemic continue or surge?

A12 - The Government of Canada is closely monitoring the economic impacts of the pandemic and will continue to implement responsible measures to help support Canadians and Canadian businesses through this unprecedented situation.

Q13 - Why end the deferral now when businesses are facing unprecedented concerns with their ability to stay viable?

A13 - The Government of Canada is taking immediate, significant and decisive action to support Canadians and businesses facing hardship as a result of the COVID-19 outbreak. For more information on how businesses can obtain support from the Government Canada, please consult Canada's [COVID-19 Economic Response Plan](#).