



John Ossowski  
President  
Canada Border Services Agency

Paul Rochon  
Deputy Minister  
Department of Finance

April 7, 2020

Dear Mr. Ossowski and Mr. Rochon,

I am writing on behalf of the fresh fruit and vegetable industry to express our support for two requests put forward by the Canadian Society of Customs Brokers (CSCB): first, that the Government of Canada provide a waiver of customs broker liability for duties and taxes now owed on June 30<sup>th</sup>; and second, that no claims against importer release prior to payment bonds be made for amounts owing for transactions for which payment is due on June 30<sup>th</sup>.

As you know, the *Customs Act* assigns liability for payment of duties and taxes to the importer, but there is also provision for a customs broker to share that liability. After assessing the financial risk of assuming liability for each importer, a customs broker may post a release prior to payment bond, taking on the liability for payment of month-end duties and taxes if the importer is unable to pay. In normal business circumstances, this system works well for all parties.

However, due to the significant financial challenges and uncertainty businesses are facing due to the global COVID-19 outbreak, the level of financial risk to the customs broker has risen substantially – and the recently announced 4-month payment deferral period creates a financially untenable situation for many broker companies. There is considerable concern that the higher level of risk could put brokers companies out of business and could lead many brokers to require deposits or prepayment of duties and taxes, effectively undermining the benefits to importers of the government's payment deferral.

Like all sectors, the Canadian fresh produce industry is facing challenging weeks and months ahead. We are deeply appreciative of the many efforts the Government of Canada is making to support Canadian citizens and businesses in navigating this crisis, including the recent payment deadline extension for duties and taxes, which will further our sector's ability to continue to ensure fresh fruits and vegetables are available to Canadians across the country.

We believe that a waiver of customs broker liability for these duties and taxes now owed on June 30<sup>th</sup> and a commitment not to make claims against importer release prior to payment bonds during this period are

measures consistent with the objectives of the payment deadline extension and will help to ensure that the cash flow benefits of payment deferral flow to business as intended.

Sincere thanks in advance for your consideration,

A handwritten signature in black ink, consisting of a stylized 'R' followed by a horizontal line.

Ron Lemaire  
President, Canadian Produce Marketing Association

CC: Peter Hill, Vice-President, Canada Border Services Agency  
Jonathan Moor, Vice-President, Canada Border Services Agency  
Michele Govier, Director-General, Finance Canada