

Indirect Tax Alert

News from EY Americas Tax

Canada announces deferral of customs duties and import GST payments

EY Tax News Update: Global Edition

EY's Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access information about the tool and registration [here](#).

EY Americas Tax

EY Americas Tax brings together the experience and perspectives of over 10,000 tax professionals across the region to help clients address administrative, legislative and regulatory opportunities and challenges in the 33 countries that comprise the Americas region of the global EY organization. Access more information [here](#).

During a press conference on 27 March 2020, Canadian Prime Minister Justin Trudeau announced that month-end payments of customs duties and Goods and Services Tax (GST) on imported goods will be deferred until 30 June 2020.¹

Under the authority of Section 33.7(1) of the *Customs Act*, the Minister of Public Safety and Emergency Preparedness has exercised his authority to extend the payment deadlines to 30 June 2020 for all Canada Border Services Agency (CBSA) monthly statements of account for March, April and May 2020.

The Federal Government has described these measures as helping to ease cash-flow challenges. It hopes that these measures will help Canadian businesses protect the jobs that Canadians depend on and pay their workers and bills during these difficult times.

Administrative guidance issued in Customs Notice 20-11² confirms that the CBSA will apply this extension to the payment of customs duties and import GST owed on regular import activity, as well as to the payment of amounts owed as a result of CBSA re-assessments and penalties. The notice specifically indicates that the extension covers all such charges on the statement of account of March, normally due 1 April 2020. Only the date of payment is deferred, and importers should be aware that the accounting timeframes prescribed by the Accounting for Imported Goods and Payment of Duties Regulations remain unchanged.

Endnotes

1. Prime Minister announces support for small businesses facing impacts of COVID-19. Prime Minister's Office Press Release 27 March 2020. <https://pm.gc.ca/en/news/news-releases/2020/03/27/prime-minister-announces-support-small-businesses-facing-impacts>.
2. Customs Notice 20-11, Extension of Timeframes for Payment of Customs Duties and GST (COVID-19). 27 March 2020. <https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn20-11-eng.html>.

For additional information with respect to this Alert, please contact the following:

Ernst & Young LLP (Canada), Toronto (for Ontario, Quebec and Atlantic Canada)

- ▶ Sylvain Golsse, *Canadian Leader, Global Trade* sylvain.golsse@ca.ey.com
- ▶ Mike Cristea mihai.cristea@ca.ey.com

Ernst & Young LLP (Canada), Calgary (for Western Canada)

- ▶ Shannon Baxter shannon.baxter@ca.ey.com

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Indirect Tax

© 2020 EYGM Limited.
All Rights Reserved.

EYG no. 001632-20GbI

1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com