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# Tax Alert – Canada

## Canada announces deferral of customs duties and import GST payments

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

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.<sup>1</sup>

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 20-11<sup>2</sup> 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.

<sup>1</sup> 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>

<sup>2</sup> 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>

## Learn more

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