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# Tax Alert – Canada

## Government of Canada to repeal the *Certain Goods Remission Order (COVID-19)*

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.

On 14 April 2022, Canada Border Services Agency (CBSA) Customs Notice 22-08 announced that the *Certain Goods Remission Order (COVID-19)* (the Order) will be repealed and entitlement to relief under the Order will end on 7 May 2022.<sup>1</sup>

### Background

The Order entered into force on 5 May 2020 and provides relief of customs duties for imports of certain medical goods, including personal protective equipment (PPE) such as face masks and gloves.<sup>2</sup> The Order was made in response to the sharp increase in domestic demand for medical supplies and PPE due to the outbreak of COVID-19 in 2020. The objective of the Order is to reduce the cost of imported medical supplies and PPE by waiving customs duties to support efforts to combat the spread of COVID-19.<sup>3</sup>

<sup>1</sup> [Customs Notice 22-08: Order Repealing the Certain Goods Remission Order \(COVID-19\) \(cbsa-asfc.gc.ca\)](https://www.cbsa-asfc.gc.ca)

<sup>2</sup> Department of Finance Canada, *Government provides tariff relief to importers of certain medical goods*. <https://www.canada.ca/en/department-finance/news/2020/05/government-provides-tariff-relief-to-importers-of-certain-medical-goods.html>. See [EY Tax Alert 2020 Issue No. 33](#).

<sup>3</sup> Regulatory Impact Analysis Statement of SOR/2020-101, [Canada Gazette, Part 2, Volume 154, Number 11: Certain Goods Remission Order \(COVID-19\)](#)

## Conditions for claiming relief of customs duties

A request for relief of customs duties can still be submitted to the CBSA for qualifying goods<sup>4</sup> imported from 5 May 2020 to 7 May 2022, inclusively.

To qualify for remission, the following conditions must be met:

- ▶ The good was imported into Canada on or after 5 May 2020 and subject to customs duties;
- ▶ No other claim for relief of the customs duties has been granted under the *Customs Tariff* in respect of the good;
- ▶ The importer files, on request, the evidence or information that the CBSA requires to determine eligibility for remission;
- ▶ The importer agrees that it is subject, at any time, including after remission relief is provided, to review by the CBSA for the purpose of determining whether the information supplied by the importer is accurate and complete and whether the facts on which the CBSA relied or intends to rely to determine the eligibility for remission remain unchanged in all material respects; and
- ▶ At the time when the CBSA conducts a review, the CBSA must be able to conclude that the information supplied remains accurate and complete and that the facts remain unchanged in all material respects.

All claims for relief of customs duties under the Order for these goods must also include all relevant documents (e.g., copy of original Form B3-3, bill of lading, sales invoice, waybill, sales contract, etc.) that demonstrate that the imported good matches the list of goods in Appendix A of Customs Notice 20-19, and that the good was imported into Canada on or after 5 May 2020 and subject to customs duties.

## Procedures for claiming relief of customs duties under the Order

Relief can be claimed at the time of importation or within two years from the date of importation.

To obtain relief of customs duties at the time of import, special authorization code 20-304 must be entered in Field 26 - Special Authority of Form B3-3.

To obtain a refund of customs duties previously paid on qualifying goods imported between 5 May 2020 and 7 May 2022, inclusively, importers must submit a refund request to the CBSA under section 74(1)(g) of the *Customs Act* through a Form B2, *Canada Customs - Adjustment Request*.

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<sup>4</sup> For a complete list and description of goods based on tariff classification that are eligible for relief under the Order, please see Appendix A of CBSA Customs Notice 20-19.

Importers also have the option to submit a Blanket B2 request for a refund of customs duties for 25 transactions or more in a calendar year. This option avoids the administrative burden of submitting individual Form B2 refund requests for multiple import transactions. However, importers must first submit a Blanket B2 Authorization Application request to the CBSA and obtain permission from the CBSA to submit Blanket B2 adjustments. There may be significant delay in receiving authorization from the CBSA; therefore, importers with qualifying goods should prepare and apply for authorization as soon as possible.

## **Learn more**

For assistance in determining whether your imports qualify for remission, and for submitting refund requests to the CBSA, please contact one of the following EY Global Trade professionals:

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