Customs planning during COVID-19: CBSA updates

March 25, 2020

COVID-19 has quickly and severely disrupted supply chains and international trading routes. Governments and their customs agencies are streamlining customs clearance procedures, reducing tariffs on essential goods and extending important regulatory deadlines. They are doing this to fast track importations of essential and emergency goods, as well as to ease administrative burdens on importers to support public health and give lifelines to critical industries that employ millions of workers at risk for layoffs.

In Canada, importers (resident and non-resident) should be aware that the Canada Border Services Agency (CBSA) issued three important customs notices on March 16, 18 and 19, which provide the following:

- Tariff-free access for otherwise dutiable goods imported for emergency use by government and first responders;
- A 30-day extension of the limitation period for submitting required corrections during a trade compliance audit; and
- A 45-day grace period for any administrative penalties that would have otherwise been payable for failure to properly account for goods crossing the border.

Imported goods for emergency use in response to COVID-19 (Customs Notice 20-08)

The Government of Canada has declared COVID-19 an emergency under the *Goods for Emergency Use Remission Order*, which provides immediate duty and tax relief for goods imported for emergency response purposes. This Order relieves duties and taxes for goods imported into Canada **by or on behalf of** federal, provincial or municipal entities, and first responders such as police, fire and local medical response teams. Although the CBSA has not defined the term “on behalf of,” BLG has contacted CBSA officials who confirmed that it should be given broad interpretation in light of the COVID-19 crisis.

Goods no longer required for the emergency must later be exported from Canada. Importers wishing to take advantage of this duty and tax relieved access are required to enter a special authorization code on their commercial import document (the Canada

Customs Form B3). The CBSA has not provided any guidance as to when goods not consumed or disposed of during the emergency must be exported from Canada. We expect that a 12 to 18 month period is a reasonable benchmark but this is an estimate subject to further clarification from the CBSA.

The CBSA stated that it will make every effort to expedite clearance of these goods through customs. It is unclear whether there will be any special expedited customs procedures or whether normal customs procedures, which are already fairly seamless absent physical border enforcement, will be applied.

Extension to the 90-day period to submit corrections (Customs Notice 20-09)

Many importers are in the midst of complex CBSA regulatory enforcement proceedings; for example, trade verification audits relating to valuation, tariff classification and origin, among others. Many CBSA offices are functioning at reduced capacity, making it difficult or impossible to proceed with strict legislated or administrative timelines, and there is recognition within government that importers are operating with reduced capacity, including capacity for real-time compliance monitoring. The CBSA has extended the period for submitting corrections by 30 days, from 90 to 120 days. This extension applies automatically to all ongoing audits.

Waiver of late accounting penalties (Customs Notice 20-10)

Many importers take advantage of CBSA programs that allow for the release of goods without complete accounting at the time of importation. Complete accounting data is instead required shortly following release of their goods. The CBSA applies Administrative Monetary Penalties (AMPS) to importers that fail to provide proper documentation and payment of duties within prescribed timelines.

Due to COVID-19, the CBSA is now providing a 45-day grace period from AMPS for importers who may have failed to account for goods. Currently this waiver only applies to goods released from customs between March 11 and March 14. The CBSA has indicated it will review the grace period and may extend its application, which is likely.

If your business has questions about its supply chain, alternative methods of transportation (due to air cargo restrictions), changes to Canadian customs clearance procedures, or if it is in the midst of a CBSA regulatory proceeding that may be facing internal delays due to COVID-19 response measures, our experienced team of international trade lawyers can guide your business in these unprecedented circumstances. We expect the CBSA and federal government will continue to adjust customs procedures and administrative processes over the coming weeks.

We are in daily contact with the CBSA and will be a key source of timely information for your business. **BLG has also created a** COVID-19 Resource Centre **to assist businesses on a variety of topics, including investment management, leasing, contractual risks, public disclosure requirements and criminal law.**

By

Jesse Goldman, Julia Webster, Jacob Mantle

Expertise

International Trade & Investment, Customs

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.