

CANADA BORDER SERVICES AGENCY DETAILED ACTION PLAN
to the recommendations of Report 2 – “*Customs Duties*” - of the Spring 2017 Reports of the Auditor General of Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
2.32	<p>The Canada Border Services Agency should review its customs brokers licensing regime by considering features such as:</p> <ul style="list-style-type: none"> • a licensing process that requires periodically assessing a broker’s compliance record, and • shared liability of licensed customs brokers and importers to comply with import requirements and paying duties and taxes. 	<p>Agreed. The CBSA will conduct a review of the customs broker licensing regime. While the <i>Customs Act</i> defines liability for compliance with the import process and for the payment of duties and taxes, the CBSA acknowledges that there are opportunities to review this regime in order to ensure that it enables the CBSA to effectively manage duties and taxes. In recent years, the CBSA has conducted reviews of its broker licensing regime as part of both internal evaluations as well as external consultations. The CBSA continues to further review this regime as part of its Commercial Transformation Initiative and in the development of the CBSA Assessment and Revenue Management project (CARM) solution. These actions will be completed by September 2018.</p>	<p>The CBSA’s review of the broker licensing regime will include incorporating the findings of the Commercial Transformation agenda, strengthening the assessment of broker compliance records and the outcomes of stakeholder consultations.</p>	September 2018	<p>The CBSA will conduct the review of the customs broker licensing regime by:</p> <p>1.1. Examining the role of the customs broker as part of the Commercial Transformation Initiative; (September 2018)</p> <p>1.2 Conducting consultations with the importing community /stakeholders; (September 2018) and,</p> <p>1.3 Examining options for the inclusion of compliance assessment in the license renewal process. (September 2018)</p>	Martin Bolduc Vice-President, Programs Branch 613-948-4445	
2.35	<p>The Canada Border Services Agency should review its penalties in order to better protect import revenues and ensure compliance with trade programs.</p>	<p>Agreed. The CBSA’s Programs Branch will explore further measures aimed at creating a “meaningful deterrent” to importer non-compliance relating to the evasion of import revenues and ensuring compliance with trade programs. This will be completed by June 2018.</p>	<p>The CBSA will have implemented measures to deter importer non-compliance in the identified Trade programs, including changes to its systems.</p>	June 2018*	<p>1.1 The CBSA will explore further measures to create a “meaningful deterrent” to importer non-compliance relating to import revenues, and ensure compliance with trade programs.</p> <p>As part of this exploration, the Agency may consider strengthening compliance options related to the following programs:</p> <ul style="list-style-type: none"> • The Administrative Monetary Penalty System (AMPS) • Seizures • Participation in the CBSA Privilege Programs • Verification Assessment Principles <p>(June 2018*)</p> <p>1.2 The CBSA will conduct consultations with the importing community / stakeholders; (June</p>	Martin Bolduc Vice-President, Programs Branch 613-948-4445	

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					<p>2018*) and,</p> <p>1.3 Implementation including systems changes. (June 2018*)</p> <p>*Six months will be required for review and consultation and subsequently six months will be required for implementation and systems changes.</p>		
2.41	Unless otherwise specified in a free trade agreement, the Canada Border Services Agency should review the period allowed for retroactive changes on the import form, without compromising the Agency's ability to conduct compliance verifications.	Agreed. In consultation with its legal services, the CBSA will conduct a review of the current framework that allows for retroactive changes on the import form. The CBSA will develop options to reduce the period allowed for the importer to make corrections while preserving the Agency's ability to conduct compliance activities. These actions will be completed by December 2019.	The CBSA will have finalized a policy statement which proposes legislative amendments and includes considerations from the review of the current framework and community / stakeholder consultations.	December 2019	<p>The CBSA, in consultation with its legal services will:</p> <p>1.1 Conduct a review of the current legislative provisions permitting redeterminations and further redeterminations in order to establish the optimal time period allowed that would achieve a balance between the facilitation of trade, the CBSA's administrative capacity and the ability to conduct meaningful compliance verifications; (December 2019)</p> <p>1.2 Conduct consultations with the importing community / stakeholders; (December 2019) and</p> <p>1.3 Develop and finalize policy statement to initiate the legislative amendment process. (December 2019)</p>	Martin Bolduc Vice-President, Programs Branch 613-948-4445	
2.55	In collaboration with Global Affairs Canada, the Canada Border Services Agency should better enforce tariff rate quotas by reviewing the process of verifying permits. They should also explore automated means to validate accounting declarations for quota controlled goods to be charged customs duties at a lower rate.	Agreed. The CBSA will conduct a review of the verification of permit process to identify any gaps and challenges, and explore automated means to validate accounting declarations of goods under "within access tariff items".	The CBSA will have completed a review of the permit verification process, identified gaps and challenges, and will have explored automated means, including the CARM project and Single Window Initiative, to validate accounting declarations for quota controlled goods, and to address identified process gaps.	March 2019	<p>1.1 Conduct and complete post-release verifications to validate accounting declarations of goods under "within access" tariff items; (March 2018)</p> <p>1.2 Review the existing D-Memos and existing Standard Operating Procedures; (September 2018)</p> <p>1.3 Explore business opportunities to use CARM and Single Window Initiative to close any identified gaps; (March 2019) and</p> <p>1.4 In collaboration with Global Affairs Canada, the CBSA will explore the current process to identify any gaps. (March 2019)</p>	Martin Bolduc Vice-President, Programs Branch 613-948-4445	

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2.63	<p>In consultation with the Department of Finance Canada, the Canada Border Services Agency should improve the Duties Relief Program's compliance by considering:</p> <ul style="list-style-type: none"> making licenses renewable, conditional to an importer's compliance record; and requiring a financial deposit proportionate to the value of duties at risk. 	<p>Agreed. The CBSA will, in relation to making licences renewable and requiring a financial deposit, consult with the policy holder for the Duties Relief Program, the Department of Finance Canada, in considering these potential improvements to compliance. This will be completed by October 2018, dependent upon the outcome of program consultations led by Global Affairs Canada and the Department of Finance Canada.</p>	<p>The CBSA will have considered the specified changes to the Duties Relief Program, in consultation with the Department of Finance Canada and Global Affairs Canada.</p>	<p>October 2018*</p>	<p>1.1 The CBSA will consult with the Department of Finance Canada as necessary to improve compliance by considering making licenses renewable, conditional to record of compliance; (October 2018*) and</p> <p>1.2 The CBSA will consult with the Department of Finance Canada as necessary to improve compliance by considering requiring a financial deposit proportionate to the value of duties at risk. (October 2018*)</p> <p>*This date is an estimate only and is subject to change. The changes to the Duties Relief Program outlined in 1.1 and 1.2, will be considered as part of program consultations that were announced on November 18, 2016, by the Minister of Agriculture and Agri-Food. Global Affairs Canada and the Department of Finance Canada are leading these program consultations regarding potential changes to the Import Re-export Program and the Duty Relief Program. While the CBSA will play an active role in these consultations and the resulting recommendations, the CBSA's ability to influence the timeframes is minimal. The current interdepartmental work plan is to submit program change recommendations to the responsible Ministers in the summer of 2017. We have allowed 2-3 months for decision making and 12 months implementation time for the necessary regulatory and/or legislative changes to be made.</p>	<p>Martin Bolduc Vice-President, Programs Branch 613-948-4445</p>	