



March 18, 2024

The Honourable Judy Sgro, P.C., M.P.  
Chair, Standing Committee on International Trade  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa, ON K1A 0A6  
Via Email: [ciit@parl.gc.ca](mailto:ciit@parl.gc.ca)

**Re: Study on the CBSA Assessment and Revenue Management System (CARM)**

Dear Ms. Chair:

I am writing on behalf of Landmark Global to share our views concerning the implementation of the Canada Border Services Agency's (CBSA) Assessment and Revenue Management System (CARM) and, more specifically, the need for CBSA's modernization efforts to lead to the fair and consistent collection of import duties and sales taxes on parcels imported to Canada.

Landmark Global is a leading international parcels consolidator based in North America. Our focus is on the distribution of e-commerce parcels from US-based e-tailers into Canada and other markets. We also offer various logistics solutions and fulfilment services for our e-commerce customers. Our expertise, infrastructure, multi-modal transportation network, electronic tools, and operational capabilities enable us to manage parcel shipments and order fulfillment and returns for our customers, thereby enabling them to expand their businesses on a global scale. Our company services 220 countries from 17 locations, including operational hubs in Calgary (Alberta), Mississauga and Burlington (Ontario). In fact, Canada represents our largest in-house network, allowing us to deliver parcels to every home in Canada.

We welcome this opportunity to share our views as part of the Standing Committee on International Trade's study of CARM, CBSA's digital initiative that will change how the Agency assesses and collects duties and taxes on commercial goods imported into Canada. We understand that other stakeholder organizations wrote to the Committee to outline the broader trade community's concerns surrounding the implementation of CARM, and have proposed solutions to address them. Our purpose with this submission is to raise to the



Committee's attention an urgent and related matter impacting our Canadian courier business.

We first wish to state that we support the federal government's objective to modernize CBSA's duty and tax collection system. We further believe that it is critical that the Agency's modernization initiative enables CBSA to adequately collect duties and taxes on all dutiable and taxable parcels imported into Canada, including those entering Canada through the postal stream.

The inadequate collection of duties and taxes on parcel shipments by CBSA is a longstanding issue. In fact, back in 2017, the Auditor General of Canada had noted that the Agency was unable to accurately assess all customs duties and taxes owed to the government on goods coming to Canada and to consistently enforce the payment of duties on postal shipments valued under \$200. Research done at that time had estimated that this issue resulted in \$1.3 billion per year in lost revenues to governments. The amount of lost tax revenues has arguably increased since then as e-commerce sales almost tripled in the 2017-2022 period, according to Statistics Canada.

CBSA's inadequate collection of duties and taxes on postal parcels continues to create an unfair marketplace for Canada's couriers licensed by CBSA. Courier companies are obligated to collect and remit duties and taxes on all dutiable and taxable parcel imports entering Canada by courier, while those importing parcels through the postal stream profit from CBSA's lack of consistent enforcement.

Besides hurting government revenues and courier companies, this issue also impacts Canadian retailers as they adapt to the growth of online shopping, further compounding their challenges as they must continue to collect and remit taxes on every sale.

The growth of e-commerce has clearly created operational challenges for CBSA. In fact, the Agency itself recognized the need to modernize its operations in response to the growth of e-commerce imports. We understand that CBSA has also been collaborating with the Canada Post Corporation as part of its Postal Modernization Initiative, which includes the introduction of technological advancements and the commencement of operations at Canada Post's new Albert Jackson Processing Centre in Scarborough. We recognize that these initiatives are key to addressing the operational challenges outlined here.



In closing, the persisting inequity in the collection and remittance of duties and taxes on imported parcels has created an unfair marketplace for professional courier companies and Canadian retailers that continues to result in lost government tax revenues. It is critical that CBSA's modernization initiative, of which CARM is a core component, addresses this issue in a timely manner to restore fairness to the marketplace. We hope that, by examining CARM and CBSA's modernization efforts, the Standing Committee on International Trade will bring attention to this issue and help ensure that the government resolves it in a timely manner.

Yours truly,

Ryan Drouillard  
Vice President of Trade Services  
Landmark Global, North America

c.c. Members of the Standing Committee on International Trade