



P.O. Box 238 | Carleton Place
ON, Canada | K7C 3P4

March 27, 2024

The Honourable Judy A. Sgro
Chair, Standing Committee on International Trade
Sixth floor, 131 Queen Street
House of Commons
Ottawa ON K1A0A6

Via email: CIIT@parl.gc.ca

Subject: CBSA Assessment and Revenue Management (CARM) system

Dear Ms. Sgro,

The Pet Food Association of Canada (PFAC) works on behalf of Canadian pet food manufacturers, but also for those who import pet food to Canada. The Canadian pet food market is unique, because around 50% of pet food sold in Canada is imported, mostly from the United States. The supply chain is also highly integrated between United States and Canada, and ingredients and products flow in both directions.

Pet food importers have concerns with a new system that could have a significant negative impact on their businesses, on pet food supply, and on pets.

The new requirements for surety bonds under CARM, that importers include GST into the calculations, will remove any advantage for resident importers.

This requirement will also add more cost to Canadian companies by causing increased fees to insurance brokers.

We ask that the CBSA keep the current policy for bond requirements for Canadian importers the same, excluding them from having to include GST in their surety bond calculations.

The system goes live on May 13, and there is currently a low registration rate which could cause border interruptions. This could cause a problem. Any disruption to supply chains for PFAC members come at a significant impact to their business.

We suggest that CBSA allow voluntary registration until the rates are much higher, or there is a risk of supply chain disruptions when the system goes live.



We ask CBSA for assurances that border and port agents will be ready if the system does not work as planned, or if there are significant slow downs, due to the potential for issues on May 13.

We understand that the CBSA system continues to have errors. This could cause financial reconciliations each month, due to rounding or other errors, which would require unplanned human and financial resources for both industry and government. Such mistakes could also leave industry open to potential compliance penalties if duty and tax aren't being calculated correctly.

We have heard directly from members that there are also several technical issues with the system. These include simple things related to account management that should not exist 50 days before launch.

Because of the concerns PFAC has, and the concerns raised by others in their briefs or testimony, we ask the committee to carefully consider the possible impacts of rushing the system implementation.

Thank you for your consideration, and we look forward to positive changes to the CARM implementation approach that will reduce the burden and impact on industry.

Sincerely,

Chris Nash
Executive Director
Pet Food Association of Canada