

Exporting from a FTZ to Canada - Can the Canada CSA Program Benefit you?

One of the major benefits of the Foreign-Trade Zones (“FTZ”) program is the ability to eliminate U.S. duty payments on foreign goods that are admitted to the FTZ and subsequently exported in-bond. But can the benefit be even greater if the goods are exported to Canada?

Similar to the United States Customs and Border Protection (“CBP”) Importer Self Assessment (“ISA”) program, Canada Border Services Agency (“CBSA”) offers a Customs Self Assessment (“CSA”) program for importers into Canada. The CSA program is designed for low-risk, pre-approved importers, carriers and registered drivers. The program simplifies many of the import border requirements so that low-risk shipments can be processed more quickly and efficiently at the border, saving businesses time and money, and allowing CBSA to better focus its resources on identifying high-risk shipments.¹ CBSA lists the benefits of the CSA program for Canadian importers:

- Eliminates the need to maintain separate and costly customs processes;
- Reduces the number of transactional transmissions;
- Aligns importers' financial records with CBSA requirements;
- Increases the certainty of expedited customs processing;
- Facilitates compliance by increasing clients' awareness of their obligations; and
- Streamlines the process for legitimate trade.

Through participation in the program, CSA-approved importers can significantly reduce the cost of doing business with the CBSA by using their own business systems and processes, which must meet the CBSA's requirements, to forward trade data and to report and remit payment of taxes and duties once a month from their own financial institutions. This self-assessment option represents significant cost savings because importers are no longer required to remit payment at the time of each shipment and the shipment crosses the border with minimal automated data reporting. In the CSA environment, the K84 form (“Importer/Broker Account Statement”) is eliminated and instead the **importer submits a monthly revenue summary form** to report to the CBSA on revenue from the importation of commercial goods into Canada. This report includes the amounts related to the accounting for goods, adjustments, refunds, drawback, interest, penalties and other CBSA assessments. CSA-approved importers then pay any duties and taxes owed.²

In December 2011, the Prime Minister of Canada and the President of the United States launched the *Beyond the Border Action Plan* to enhance the mutual security, prosperity and economic competitiveness between the two countries. In the Action Plan, a commitment was made to align Canada's CSA and the United States' ISA programs to the greatest extent possible. As part of this commitment, Canada is implementing CSA-Platinum. CSA-Platinum is voluntary and places the responsibility for trade compliance testing directly with the approved importer, allowing the CBSA to invest its post-release verification resources in areas of higher or unknown risk.³

¹ <http://www.cbsa-asfc.gc.ca/prog/csa-pad/menu-eng.html>

² <http://www.cbsa-asfc.gc.ca/prog/csa-pad/import-eng.html>

³ <http://www.cbsa-asfc.gc.ca/prog/csa-pad/about-apropos-eng.html>

As part of the Action Plan, the CBSA also expanded the CSA program to allow non-resident U.S. importers (“NRIs”) to be eligible for the program. Previously, to participate in the CSA program, importers had to reside in Canada or, in the case of corporations, have their head office in Canada or operate a branch office in Canada. The amendment extends to importers, who ordinarily reside in, or have their head office or operate a branch office in the U.S., the same benefits afforded to CSA authorized importers by allowing them to apply for membership to the CSA program.⁴

To obtain detailed information about Canada’s CSA program and benefits, how it relates to the U.S. ISA program, eligibility requirements, the application process, etc., please explore the referenced web pages in this article.

⁴ <http://www.cbsa-asfc.gc.ca/prog/csa-pad/nri-inr-eng.html>