See original document at:

<https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn19-05-eng.html>

Changes to Administrative Monetary Penalties Contraventions C004, C080, C081, C082, C083, C152, C157, C168, C169, C214, C215, C216, C217, C218, C223, C224, C298, C336, C350, C351, C352 and C353 **Customs Notice 19-05**

**Ottawa, March 5, 2019**

1. The Auditor General of Canada criticized the CBSA’s Administrative Monetary Penalties (AMPs) for being too low to improve compliance with trade programs in his 2017 Audit of Customs Duties. The purpose of this notice is to advise importers that 22 contraventions related to commercial trade will be amended, effective April 1, 2019. The increases will bring penalty levels in line with other non-trade commercial penalties. These increases affect non-compliant importers only.

2. The increases follow a review of the AMPs regime that the CBSA undertook from November 2017 to July 2018 that included consultations with the following industry stakeholder groups: the Canadian Society of Customs Brokers, the Canadian Federation of Independent Business, the Canadian Association of Importers and Exporters, and the Association of International Customs and Border Agencies. Company representatives were also consulted through the Border Commercial Consultative Committee. The CBSA indicated through a public report to the House of Commons Public Accounts Committee in September 2018 that it would not increase penalties before spring 2019.

3. The following contraventions will have their penalty amounts increased (at all levels): C004, C080, C081, C082, C083, C152, C157, C168, C169, C214, C215, C216, C217, C218, C223, C224, C298, C336, C350, C351, C352 and C353. (Refer to [Table 1](https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn19-05-eng.html#t1) for details.) The contraventions’ guidelines will be updated to reflect the new penalty amounts.

4. The CBSA is not increasing system generated penalties related to the timing for accounting for imported goods. These penalties are C288 (failure to account for imported goods within 5 business days of their release where estimated value is greater than $2,500), and C292 (failure to account for imported goods no later than the 24th day of the month following the month of their release where estimated value does not exceed $2,500). Industry stakeholders identified these AMPs as having potentially disproportionate, unintended impacts on small and medium-sized businesses.

5. To ease the transition to the new penalty structure, the CBSA will reset the penalty level to the first level for the contraventions mentioned above that occur on or after April 1, 2019. This is to avoid unanticipated impacts on industry that could occur by issuing second and third level penalties at higher levels than previously indicated.

6. The maximum Administrative Monetary Penalty of $25,000 remains unchanged.

**Table 1 – Changes to Select Administrative and Monetary Penalty Levels**

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| **Contravention Code** | **Penalty Level**  | **Current PENALTY Amount** | **PENALTY AmountEFFECTIVE April 1, 2019** |
| C004, C152, C168, C169, C223, C224 | 1st | $150 | $500 |
| 2nd | $225 | $750 |
| 3rd and subsequent | $450 | $1,500 |
| C080, C081, C082, C083, C350, C351, C352, C353 | 1st | $150 to a maximum of $5,000 (per issue) or $25,000 (per occurrence) | $500 to a maximum of $5,000 (per issue) or $25,000 (per occurrence) |
| 2nd | $225 to a maximum of $200,000 (per occurrence) | $750 to a maximum of $200,000 (per occurrence) |
| 3rd and subsequent | $450 to a maximum of $400,000 (per occurrence) | $1,500 to a maximum of $400,000 (per occurrence) |
| C157, C214, C215, C216, C217, C218, C298 | 1st | $300 | $600 |
| 2nd | $450 | $1,200 |
| 3rd and subsequent | $900 | $2,400 |
| C336 | Flat Rate | $100 per instance | $200 per instance |

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