FCL FISKER CUSTOMS & LOGISTICS | News

PROSPERITY & HAPPINESS FOR 2025

From all of us at FCL Fisker, we hope your holiday season was filled with cherished moments together with your family and loved ones. We wish you a prosperous and happy New Year, we look forward to continuing to serve you in 2025!

Anders Fisker, President & CEO

A kind reminder that the Chinese New Year will begin on January 28th to February 4, 2025, and many factories will begin closing as early as mid-January, and shipping lines have already announced a GRI increase effective January 1, 2025.

Sylvia Beck, Inside Sales

IN REVIEW | DECEMBER 2024

MARINE

December 5 | "Indian Ports Strike Threat Returns"

Dockworkers in India have called for an indefinite strike across all major ports starting on December 17 if the government fails to implement wage revisions and productivity schemes before December 15.

A source working in the Indian ports sector told Splash today: "I think that it will not happen, same as it did not in September. If it does happen, it will only impact government ports. And in several of those, there will be limited impact, as many port authorities outsource work and those workers are not part of this union." ***Source: Splash 247.com***

Update December 10: Indian exporters and importers are breathing a sigh of relief as fears of a nationwide strike by unionized dockworkers across major government ports fade, according to industry sources.

Labour groups last month threatened to launch indefinite work stoppages from December 17th in a bid to force the government to implement terms of a wage contract hammered out two months ago at port management level.

Sources said officials at the Ministry of Shipping had finally received a mandatory "go-ahead" to approve revised contract conditions for signature. "A formal order is expected quickly, mostly by tomorrow," said one source, privy to the information. "Officials have already been instructed."

Union sources, however, said strike preparation plans would continue until the settlement that was agreed on in late September was implemented. Read more in an article from The Loadstar. ***Source: CIFFA***

December 15 | "End of the Lockout: Still No Outcome in Sight for Dockworkers at the Port of Quebec"

Resolution of the conflict at the Port of Quebec is taking longer than expected, as no return-to-work protocol has yet been negotiated a month after the federal government's announcement.

On November 12th, the arbitration imposed by Ottawa meant in some way the end of a 27-month lockout.

This decision by Ottawa was supposed to end an interminable confrontation, but in all likelihood no workers will return before Christmas. No date has yet been put forward.

Read more in an article from Le Journal de Québec (translated from French). ***Source: CIFFA***

December 19 | "Ocean Carriers Plan Panama Canal Surcharges"

Ocean carriers will implement surcharges for cargo traveling/shipping through the Panama Canal in response to the canal's new booking reservation system. Surcharges will take effect in January and impact trade lanes between Southeast Asia and the U.S. East and Gulf Coasts, along with lanes between South America and the U.S. and Canada. The Surcharges will apply to all cargo types.

The ocean carriers said the surcharges will help offset increased costs resulting from changes the Panama Canal is implementing to its reservation system and have led to a "significant increase". The booking system offers carriers the ability to secure vessel slot "packages" through a bid process. Those able to secure a long-term slot will be exempt from certain surcharges from the canal and are entitled to unlimited swaps and substitutions requested at least eight days prior to the required arrival time.

The announcements of additional carrier surcharges in the new year come as shippers face several other geopolitical shifts. For example, President-elect Donald Trump's push for higher tariffs and the ongoing East and Gulf Coast port labor negotiations are risks for shippers that could lead to more diverted or frontloaded cargo and price increases for consumers. ***Source: Supply Chain Dive***

AIR

December 18 | "Air Canada Cargo Announces Changes to Canada Ground Handling Charges Effective January 20"

As a result of increases in inflationary and global costs, effective January 20, Air Canada Cargo's ground handling charges in Canada are being updated.

Find details in a news posting from Air Canada Cargo. ***Source: CIFFA***

ROAD / RAIL

December 10 | "CN Reaches Tentative Agreement with Union Representing Mechanics, Clerks"

Canadian National Railway has reached a tentative agreement with the union representing its mechanical workers and clerks, the company announced on Monday, just two weeks after workers voted to authorize a strike.

Details from the tentative four-year agreement with Unifor will not be released publicly until it is ratified, according to a CN news release. The current collective agreement is set to expire on December 31, 2024.

Two weeks ago, Unifor said two of its member groups voted overwhelmingly in favour of a strike mandate that would have seen workers walk off the job as soon as January 1, 2025.

One group comprises 2,100 mechanics, technicians, crane operators, machinists, and electricians, and the other includes 1,500 administrators and customer support staff.

Read more in an article from CBC News ***Source: CIFFA***

CUSTOMS

December 5 | "CARM Limited Series Newsletter "Did you Know – Issue 2"

The CSCB has released the following link for CARM Limited Series Newsletter "Did You Know – Issue # 2". **https://cscb.ca/sites/default/files/media/documents/CARM---Did-You-Know-Newsletter---Issue-2.pdf**

December 11 | "Customs Notice 24-41: Canada's Unilateral Tariff Preference Programs for Imports from Developing Countries"

Ottawa, December 11, 2024

1. On January 1, 2025, Canada will introduce a number of updates to its unilateral preferential tariff programs to make them easier to use and access for Canadian importers and developing country partners.
2. These updates affect the General Preferential Tariff (GPT), the Least Developed Country Tariff (LDCT), the Commonwealth Caribbean Countries Tariff (CCCT) and result in the creation of the new General Preferential Tariff Plus (GPTP).
3. Effective January 1, 2025, the following countries will graduate from and be ineligible for preferential tariffs under the GPT program: Armenia, Belize, British Virgin Islands, Fiji, Georgia, Guatemala, Guyana, Iraq, Marshall Islands, Moldova, Nauru, Paraguay, Tonga, Turkmenistan, Tuvalu, Vietnam. Goods in transit to Canada before January 1, 2025, will continue to be eligible for the GPT. Conversely, the countries of Lebanon and Tunisia will be re-instated to and eligible for the GPT program.
4. Effective January 1, 2025, Cape Verde, Samoa, Tuvalu, and Vanuatu will graduate from and be ineligible for preferential tariffs under the LDCT program. Goods in transit to Canada before January 1, 2025, will continue to be eligible for the LDCT.
5. Effective January 1, 2025, duty-free treatment under the CCCT program will be expanded to cover all textiles, apparel, and made-up textile articles in Chapters 50 – 63 of the Harmonized System.

6. When it comes into effect, at a later date, the incoming GPTP is intended to be a program that provides expanded tariff preferences, going beyond GPT benefits, to those GPT beneficiaries that abide by certain international standards and work to improve conditions relating to human rights, labour rights, and sustainable development, including environmental protection.

Rules of origin

7. The rules of origin determine the extent of production required to be carried out in a beneficiary country in order for the imported good to be eligible for tariff benefits. Presently, the LDCT rules of origin for apparel products allow the production of apparel in least developed countries (LDCs) from imported yarns and fabrics, as long as a minimum percentage of value is added in the LDC. Currently, no rule of origin exists for apparel products in the GPT and CCCT, as those goods are not eligible for preferences under those programs.
8. On January 1, 2025, the rules of origin for apparel products will be liberalized and harmonized across all of Canada's programs to allow for the cutting and sewing of fabrics in developing and least developed countries to confer origin on the final apparel product, regardless of the origin of the yarn and fabric. These changes will reduce issues of compliance previously identified by apparel importers and stakeholders, thereby helping to maximize the utilization of benefits across Canada's programs, including potential future benefits under the GPT and GPTP programs.

9. The new regulations on rules of origin for these tariff programs can be found as follows:
   - General Preferential Tariff, General Preferential Tariff Plus and Least Developed Country Tariff Rules of Origin Regulations (PDF, 183 KB)
   - Commonwealth Caribbean Countries Tariff Rules of Origin Regulations (PDF, 158 KB)

Shipping requirements

10. Effective January 1, 2025, the shipment requirements within the Customs Tariff will be removed and re-established with updated regulations in the Direct Shipment (Most-Favoured-Nation Tariff, General Preferential Tariff, General Preferential Tariff Plus, Least Developed Country Tariff, Commonwealth Caribbean Countries Tariff, Australia Tariff and New Zealand Tariff) Regulations (PDF, 145 KB).
11. These updates expand acceptable proof of direct shipment documents beyond a through bill of lading and remove the six-month storage limit in intermediary countries. These updates aim to align with modern shipping practices, facilitate access to Canada's trade programs, and align with Canada's shipment requirements under its free trade agreements.

Additional information

12. For more information, refer to Canada's Department of Finance webpage, and Customs Notice 23-27, Amendments to the Customs Tariff legislation and related regulations.
13. For further information, contact the CBSA Border Information Service (BIS):
   - Calls within Canada & the United States (toll free): 1-800-461-9999
   - Calls outside Canada & the United States (long distance charges apply):
   - 1-204-983-3550 or 1-506-636-5064
   - TTY: 1-866-335-3237

Contact Us online (webform)

Contact Us at the CBSA website may also be accessed for information. *Source CSCB*

December 12 | "New CARM Client Portal Bulletin: Clarification of CAD Submissions with SIMA"

The CBSA has posted Bulletin 5391 – Clarification on SIMA CAD Submissions in its resource of CARM bulletins. The bulletin covers how to avoid errors on CAD transactions where goods are potentially subject to SIMA. ***Source CIFFA***

December 16 | "Customs Notice 24-42: Interim Procedures for Consolidated Adjustments of the Value for Duty of Imported Goods by CSA Members"

The purpose of this Customs Notice is to inform Customs Self Assessment (CSA) members, and their service providers, of interim procedures for the submission of consolidated adjustments for value for duty of the imported goods in the CARM environment.

As of October 21, 2024, the CBSA Assessment and Revenue Management (CARM) system became the official system of record for importers and other trade chain partners (TCPs) to account for their goods and pay applicable duties and taxes owed to the Canada Border Services Agency. B3 accounting documents including B3 X-type adjustments will no longer be accepted. CARM adjustment formats include single, mass, and consolidated.

Members of the CSA Importer program may, on an interim basis, use the TT-type CAD to submit a consolidated adjustment, which will allow a single document to adjust the net values of multiple commercial accounting documents (CAD) when certain conditions are satisfied. Find details in Customs Notice 24-42. ***Source CIFFA***

December 16 | "Customs Notice 24-43: Goods and Services Tax / Harmonized Sales Tax (GST/HST) Break"

This notice provides information on legislative changes being made to the Excise Tax Act, regarding the Goods and Services Tax/Harmonized Sales Tax (GST/HST) that will be in effect from December 14, 2024, to February 15, 2025.

The GST/HST tax break is being introduced by the Government of Canada to provide for a two-month tax break on holiday essentials such as groceries, restaurant meals, drinks, snacks, children's clothing, and gifts. More information regarding this announcement can be found in the Department of Finance Canada's news release.

The Canada Border Services Agency (CBSA) is responsible for administering the exemption on imports allowing for the upfront relief of GST/HST and will accept adjustment requests for eligible goods that did not claim this at the time of importation.

Under the Customs Act, goods must be accounted for in the prescribed manner in accordance with Section 32 of the Act. In accordance with Section 74 and 76 of the Customs Act a person who paid duties on any imported goods may apply for a refund of all or part of those duties paid when they are overpaid in error.

The goods subject to GST/HST relief are being added to Schedule VII of the Excise Tax Act. Find details in Customs Notice 24-43. ***Source CIFFA***

December 20 | "Statement by Minister Ng on Forced Labour Measures in 2024 Fall Economic Statement"

Mary Ng, Minister of Export Promotion, International Trade and Economic Development, on December 18 issued a statement regarding new measures to combat forced labour announced in the 2024 Fall Economic Statement. The statement included the following:

"The 2024 Fall Economic Statement announces our government's intent to introduce legislation to create a new regime for supply chain due diligence. This will require government entities and businesses to scrutinize their international supply chains for risks to fundamental labour rights and take action to resolve these risks. A new oversight agency will be created to ensure ongoing compliance.

"We are also strengthening Canada's ban on imports of goods produced with forced labour by introducing legislative amendments that increase the onus on importers to demonstrate their supply chains are free of forced labour. To implement these new measures, our government will provide $25.1 million over 2 years to Global Affairs Canada and the Canada Border Services Agency." Read the full statement in a press release from Global Affairs Canada. ***Source CIFFA***

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