

MONITORING TARIFFS

Tariffs continue to be the "main" news this past month and recently Canada has effectively suspended almost all of its retaliatory tariffs on U.S. products, tamping down inflation risks and improving its growth outlook (according to Oxford Economics). We continue to monitor the ups and downs and will always be available to you, our valued partners, in ensuring your shipments are managed efficiently.

Sylvia Beck, Inside Sales

IN REVIEW | MAY 2025

MARINE

May 1 | "Shipping Halted in Antwerp as Unions Renew Strikes Against Government"

National authorities and the Port of Antwerp-Bruges began preparations on Monday afternoon, April 28^{TH} , to bring port traffic to an orderly stop due to a strike by workers against the government. They said 25 ships were waiting to depart with another 31 waiting to enter but expected that all traffic would be halted. The strike began Monday evening at 1930 and was to continue until 0730 on Wednesday.

As of Tuesday afternoon, Antwerp-Bruges was reporting that a total of 74 ships were waiting. In Antwerp, 38 vessels were unable to depart, while on the North Sea, 36 vessels were waiting, all heading for Antwerp. Port officials warned that it would take at least one to two days to clear up the backlog. Source: CIFFA

May 1 | "Congestion and Rising Costs at Europe's Box Ports to Last Into Summer"

Major congestion across north European ports is forecast to last well into the summer. The latest strike in Antwerp is not the sole cause of the difficulties being felt in Northern Europe. Increasing congestion levels, operational disruptions at several ports, low inland water levels, and a drop in available labour all contribute to the congestion issues.

Backlogs in Germany, the Netherlands, and the UK were all reportedly contending with issues prompted by vessel diversions from continental ports.

Many are preparing for the congestion to last into summer, and potentially beyond with forecasts citing "three to four months." Importers and exporters should prepare for longer lead times, increased costs, and fluctuating capacity at Europe's busiest container ports. Source: The Loadstar

Update May 21: European port congestion continues to worsen, with workforce constraints "exceeding forecasts" in Bremerhaven, and stakeholders having "very limited" options. Too little rain is not helping the Rhine levels to allow the usage of barges to the full extent, especially from Antwerp and Rotterdam, and is likely to impact congestion. **Source: The Loadstar**

May 2 | "Large Containerships Highlight Port of Halifax 2024 Cargo Volume"

The Port of Halifax has reported declines in total and container cargo in 2024 but continued strong business from the largest container ships calling on the East Coast of North America.

"In 2024, we had 42 vessels larger than 10,000 TEU make 117 calls, showing Halifax's strength as a deepwater port able to berth the largest container vessels on the Eastern Seaboard," said Fulvio Fracassi, President and CEO, Port of Halifax.

"The global geopolitical situation continued to have an impact on Halifax's containerized cargo, reflected in reduced volumes during Q1-Q3. In Q4, diverted cargo from other ports and the general shipping peak season resulted in stronger volumes. Overall, containerized cargo was down 6.8% from 2023." Read more in an article from Maritime Magazine. Source: CIFFA

May 6 | "Trade Restrictions Between India and Pakistan"

We would like to inform you about recent developments impacting trade in the broader South Asia region following new regulatory measures introduced by the India and Pakistan governments.

In response to the evolving situation, both countries have implemented restrictions affecting not only direct vessel calls and cargo movement between the two nations, but also shipments transiting through or destined to/from third countries via their ports. **Source: Hapag-Lloyd**

Summary of Government-Imposed Restrictions

Recent directives from both governments include the following:

India:

- All Pakistan-origin containers, including empty units, in-transit (ROB), transshipment and import cargo are now banned.
- Vessels carrying Pakistan-origin cargo that departed before the restriction are not permitted to berth at Indian ports until such cargo is discharged elsewhere.
- Vessels carrying cargo from other origins bound for Pakistan may still berth.

Pakistan:

- Prohibited the import or transit of Indian-origin goods, including those moved via third countries and across all modes (sea, land, air).
- Also restricted are exports to India transiting through Pakistani territory.

May 12 | "U.S. and China Agree to Slash Tariffs"

In a significant curtailment of the trade war between the world's two largest economies, the United States and China have agreed to considerably slash tariffs for the next 90 days.

As part of the deal reached in Geneva over the weekend, US Treasury Secretary Scott Bessent said both countries would lower their reciprocal tariffs by 115%, meaning the US will lower tariffs on Chinese goods to 30% and China will reduce duties on US imports to 10%.

The measures should kick in by May 14. Source: Splash 247.com

May 12 | "Ontario Seeks Arctic Port on James Bay"

Top government officials from the Province of Ontario have recently expressed interest in developing a maritime port on James Bay, which extends southeast of Hudson Bay.

Changing summertime weather conditions in Canada's Arctic region now allow ships to sail between the North Atlantic and North Pacific Oceans. At present, a deep-water port operates at Churchill at the southwest corner of Hudson Bay, originally developed to export Western Canadian agricultural produce to Europe.

The railway distance between Toronto and Churchill is almost equal to that between Toronto and Vancouver. A comparatively short distance of railway line extends north from Toronto to within 12 miles of James Bay. The cost of railway transportation per unit of distance is much higher than that of waterway transportation – hence the interest in developing a port on James Bay, which would be within relatively close proximity to the Greater Toronto Area. Trans-Arctic summer sailing is beginning to make it possible for ships to sail between North American East Coast ports and East Asian ports, as well as North American Pacific ports. *Source: CIFFA*

May 12 | "Service Chaos from Trade Ban with India a Problem for Pakistan Shippers"

Pakistan's main container gateways of Karachi and Port Qasim are reportedly facing serious congestion after mainline carriers halted direct calls there in the wake of the trade ban with India.

The disruption followed a May 2 order by New Delhi, preventing carriers from moving Pakistan-origin cargo through Indian ports – counter restrictions were quickly announced by the Pakistan government. Source: The Loadstar

May 13 | "Transportation Rates Likely to Surge During U.S. – China Tariff Pause"

U.S. and Chinese officials have reached an agreement to roll back most recent tariffs and implement a 90-day truce in their trade war to facilitate further negotiations. The temporary suspension of hostilities is expected to have immediate effects on global shipping and transportation markets.

Freight rates are projected to rise sharply in the coming weeks as importers rush to capitalize on this window of opportunity. The increases are expected to begin with ocean freight rates in the near term, followed by domestic trucking rates in July and August. This surge stems from importers addressing existing backlogs and expediting new orders before potential policy changes at the end of the 90-day period.

This abrupt shift in trade policy is likely to create significant logistical challenges. Companies may struggle to secure containers in China and access truck or intermodal chassis capacity in the United States. Transportation capacity and infrastructure could be strained by the surge in shipping volume.

Larger, more consistent importers are likely to benefit most, as they typically receive preferential treatment from carriers when capacity tightens. Smaller shippers may face disadvantages, as transportation providers prioritize high-value customers and sideline inconsistent or lower-paying shippers. **Source:** CIFFA

May 26 | "Boxport Congestion Spreads from Europe to the US and China"

Port congestion seen across key Northern European hubs is intensifying and is now spreading to China and the U.S., a situation expected to worsen as a result of Donald Trump's on/off tariff strategy.

Compounding the situation, low water levels on the Rhine are limiting barge capacity, particularly out of Antwerp and Rotterdam—further straining inland logistics.

Major gateways including Antwerp, Rotterdam, Hamburg, and Bremerhaven are now grappling with escalating backlogs, as containerships face mounting delays. At the Port of Antwerp-Bruges, operations were further strained by a nationwide strike on May 20th.

The issue isn't limited to Europe. Similar patterns are emerging in Shenzhen, Los Angeles, and New York, where the number of containerships awaiting berth has been increasing over the past three weeks. Source: Splash 247.com

AIR

May 16 | "Threat to Airport Operations as India Revokes Security Clearance for Handler Çelebi"

Airport operations in India could face new challenges, after Çelebi Aviation, a part Turkish-owned ground handler, had its security clearance revoked.

Although conflict between India and Pakistan ended with a tentative ceasefire last week, the political reverberations continue.

Businesses and trade verticals linked to Turkey are now facing the heat of Indian government reprisals and public boycotts over claims/concerns that the Turkish establishment had extended arms and other friendly support to Pakistan during the stand-off.

Thus: "The security clearance [of Çelebi Aviation] is revoked with immediate effect in the interest of national security," announced India's Bureau of Civil Aviation Security (BCAS). Source The Loadstar

ROAD / RAIL

May 21 | "Supreme Court of Canada Okays CN Rail's \$250-Million Logistics Hub Project in GTA"

The Supreme Court of Canada has enabled CN Rail's \$250-million logistics hub project in the Greater Toronto Area to proceed. Canada's highest court dismissed an appeal request designed to stop the massive development in Milton, Ont., the Canadian Press reported.

The project is located next to an existing CN facility in Milton and designed to double the company's rail capacity in the Halton region. It will house an inter-modal facility that transfers shipping containers to semi-trucks from trains in Milton.

Keeping with convention, the court did not explain its reasons for denying the appeal request. The rejection came after the Federal Court of Appeal dismissed a legal challenge intended scrap the project. A three-judge Federal Court of Appeal panel's unanimous ruling found that the federal government's decision to let CN build the terminal despite significant adverse environmental effects was reasonable.

The Halton Region, its four municipalities and the Halton Region Conservation Authority took CN and Ottawa to court in an effort to overturn the federal government's 2021 approval of the project. **Source: CIFFA**

May 23 | "CN Announces Capital Investments in Ontario and Alberta"

CN has announced plans to invest approximately \$600 million CAD in Ontario, and approximately \$510 million CAD in Alberta, as part of its 2025 capital investment program. This investment aims to support track maintenance and strategic infrastructure initiatives, including projects that continue to invest in technology as well as ongoing multi-year projects that will build capacity and support growth across the network. These projects will help ensure the safe movement of goods and support long-term sustainable growth in Ontario and across CN's network.

In Alberta, this investment will support track maintenance and strategic infrastructure initiatives in the province. This includes projects to increase intermodal capacity in Edmonton, and continued work to build greater rail capacity along CN's mainline between Edson and Hinton. **Source: CIFFA**

CUSTOMS

May 2 | "CUSMA-Compliant Auto Parts Won't be Hit with Tariffs"

25% auto part duties were set to go into effect on Saturday

U.S. Customs and Border Protection guidance released on Thursday says automobile parts compliant with the Canada-U.S.-Mexico Agreement (CUSMA) on trade will not be hit with U.S. President Donald Trump's tariffs.

It's the latest sign of relief for the deeply integrated North American automobile industry besieged by multiple levels of tariffs.

Trump slapped a 25 per cent tariff on all vehicle imports to the United States last month but made a carveout for the American-made parts of cars compliant with the continental trade pact, also called CUSMA.

<u>U.S. Customs and Border Protection guidance</u> says the exemption does not apply to automobile knock-down kits or parts compilations...

This was excerpted from the May 1st, 2025 edition of CBC News. Source: CSCB

May 5 | "CARM Bulletin 5402 – Importer Records Program"

Link: https://ccp-pcc.cbsa-asfc.cloud-nuage.canada.ca/en/public-bulletins

Importer Records Program

The CBSA has received numerous inquiries on the Importer Records program in CARM. As of October 21, 2024, importers who are maintaining records outside of Canada or not at their place of business in Canada will not be issued an importer account (RM) unless the <u>BSF900: Agreement to maintain records elsewhere than the place of business in Canada</u> has been completed and submitted in the CARM portal (for more details please refer to <u>Memorandum D17-1-21: Maintenance of Records in Canada by Importers</u>). Please note that records must be kept in Canada, the USA or Mexico.

If an importer has an existing BN15, please follow <u>User Guide - Update your CBSA information at the program level</u>.

If a new RM account is needed, please follow User Guide - Enrol in the Importer program

If an importer has as an existing RM account that is inactive, it can be reactivated by contacting <u>CARM</u> <u>Helpdesk</u>.

To ensure your application is processed in a timely manner, please ensure your BSF900 is fully completed and uploaded to CARM. Please see below for some instances that may delay your application process:

- If a third party is to maintain Books & Records on your behalf; CBSA requires a confirmation letter signed by the third party that they are holding your Books & Records at the address indicated in the BSF900.
- Addresses listed on the BSF900 need to match the addresses listed in CARM. If there's an error
 in the address or if the importer moves, please contact the <u>Canada Revenue Agency (CRA)</u>
 to update the address related to the BN9.
- If importers are renting an office suite from a coworking/shared office space, then a valid lease/rental agreement should be uploaded to the CARM enrolment/program update case to ensure we can validate the Books & Records address.
- If you are a non-resident importer, please make sure to fill out the for "Non-Resident Importers" section on the 2nd page of the BSF900 and provide the supporting documents (e.g.: articles of formation/incorporation, proof of paid annual registration fees for the current year, etc...). Source: CSCB

May 7 | "CIFFA Writes to Minister of Public Safety to Express Concerns Regarding May 20th CARM Implementation Deadline"

In a letter to David McGuinty, Canada's Minister of Public Safety, CIFFA has strongly urged the Government of Canada to consider further delaying the CARM implementation date until all parties are confident that trade will proceed with minimal disruption. CIFFA also requested excluding U.S. tariffs from security calculations given the current uncertainty and unpredictability of trade within CUSMA.

In addition to these urgent concerns, CIFFA proposed a longer-term reform to Canadian customs practices: permit the release of imported goods valued under \$5,000 without the necessity of posting a customs bond. Read the letter here. Source: CIFFA

May 14 | "Customs Notice 25-22: End of Release Prior to Payment (RPP) Transition Period"

Link: https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn25-22-eng.html

- 1. On August 23, 2024, the CBSA issued <u>Customs Notice 24-27: CARM October Implementation Transition Measures</u>, which outlined a number of transition measures to support trade chain partners in the adoption of the CBSA's Assessment and Revenue Management (CARM).
- 2. On October 21, 2024, <u>Regulations Amending Certain Regulations Administered and Enforced by the Canada Border Services Agency</u> came into force providing importers release prior to payment of duties without having to give security for a period of 180-days following CARM implementation.

- 3. On March 23, 2025, Regulations Amending Certain Regulations Administered and Enforced by the Canada Border Services Agency, specifically subsection 69(2), were extended by 30 days, effectively bringing RPP transition end date to May 20, 2025 at 3:00:01am EDT.
- 4. This measure provided a period of time to secure financial security in order to continue to benefit from Release Prior to Payment following the end of the transition period.

Clarity of end of transition period for importer program accounts

- 5. Importer program accounts (BN15) enrolled in RPP, as part of transition plan or post-October 21, 2024, that have provided the required financial security will maintain RPP privileges post May 20, 3:00:01am EDT and will not be impacted by the end of the transition period. No further action is required at this time.
- 6. Importer program accounts (BN15) enrolled in RPP and have transacted (imported goods) since October 21, 2024, if all transactions on the account are not subject to duties and taxes (for example zero-rated goods such as produce) will still benefit from RPP post May 20 at 3:00:01am EDT as there is no principal to secure on these transactions. If goods imported in the future are subject to duties and taxes, the financial security requirement would be required for the goods to be released prior to payment.
- 7. Importer program accounts (BN15) enrolled in RPP as part of transition period or post-October 21, 2024, that have dutiable and taxable importations (transactions) and have not taken action to satisfy financial security requirement, will be removed from RPP on May 20, 3:00:01am EDT. Future enrolment in RPP with the provision of the required financial security is possible.
- 8. Importer program accounts (BN15) enrolled in RPP as part of transition period, but that show no importations (no transactions) since October 21, 2024, and have subsequently not provided financial security, will be removed from RPP on May 20 at 3:00:01am EDT. Future enrolment in RPP with the provision of the required financial security is possible.
- 9. Importers not eligible for RPP come May 20, 2025 will need to submit a CAD C-Type and pay applicable duties and taxes at time of release.

Additional information

- 10. <u>Customs Notice 24-27: CARM October Implementation Transition Measures</u> outlines transition measures that remain in effect to support trade chain partners in the adoption of the CBSA's Assessment and Revenue Management (CARM).
- 11. <u>Memorandum D17-1-8</u> provides detailed instructions for TCPs to follow in enrolling Release Prior to Payment program.
- 12. If you have any questions about the transition measures, please contact us at <u>Client support</u> contact form. **Source: CSCB**

May 14 | "CARM: Commercial Import Payments: Duties, Taxes, and Other Customs Dues"

The CBSA has published a page to help importers with CARM payment topics such as:

- What to pay
- When to pay
- Late payments
- How to pay
 - Payment by cheque
 - o Payment in person
 - Making payments from outside of Canada
- Payment history

	Payment dates for 2025
Month	Due date
April	May 1, 2025
May	May 30, 2025
June	July 1, 2025
July	July 31, 2025
August	August 29, 2025
September	October 1, 2025
October	October 31, 2025
November	December 1, 2025
December	December 31, 2025

Please visit this page for more information: https://www.cbsa-asfc.gc.ca/prog/arl-glcc/pay-paie-eng.html Source: CSCB

May 15 | "CFIA Form 5272 and the C Type CAD"

If CFIA Form 5272 is required for a C Type CAD on May 20th, it is important to note that the CAD should be set up in the portal first to have the required transaction number. There are sometimes challenges opening the Form 5272, therefore please refer to CFIA instructions on their landing page on how to "download" the form.

https://inspection.canada.ca/en/about-cfia/find-form/form-cfia-acia-5272

We have been made aware that the CFIA has been briefed by the CBSA on the potential for increased paper transactions outside of the IID starting on May 20th and the CFIA has contingency plans in place to manage the expected increase including additional staffing. A "best practice" document will be sent to importers and customs brokers by the CFIA on May 16th and again on May 20th reminding parties how to submit paper transactions. CFIA will be prioritizing the release of perishable food shipments, and they have confirmed that there are no system updates scheduled for the week of May 19th. Source: CSCB

May 21 | "CARM Bulletin 5403 – Reminder – Filing an Appeal of a NPA Issued Under the Customs Act for an AMP in the CCP" (Link)

Appeal Submission via the Portal

- 1. This is a reminder to all Trade Chain Partners (TCPs) that if you wish to appeal a Notice of Penalty Assessment (NPA) under section 129.1 of the Customs Act, you may submit a request for a Minister's decision through the CARM Client Portal (CCP).
- 2. Appeals of NPAs must be submitted to the CBSA within 90 days of the date the NPA was served. In exceptional circumstances, this may be extended to one year after the expiration of the original 90 days afforded to the TCP to request a Minister's decision (request for extension), in accordance with Section 129.1(5) of the Act. For detailed instructions on submitting an appeal request on the CCP, please refer to the CARM User Guide Submit an appeal of a Notice of Penalty Assessment.

Filing an Appeal for Multiple Notice of Penalty Assessments

3. In cases where multiple NPAs are being appealed for the same rationale, TCPs are requested to file an appeal for each NPA in the CCP by selecting "Appeal" next to each penalty.

Supporting Your Appeal of a Notice of Penalty Assessment

- 4. To facilitate the review of your appeal, it is strongly recommended that you provide a detailed rationale explaining the reasons for your dispute and include supporting documentation as applicable.
- 5. Supporting documentation may include any documents, evidence or information in support of the appeal.

For additional information, refer to: Memorandum D22-1-1: Implementing the Administrative Monetary Penalty System (AMPS) Source: CSCB

May 26 | "Advocacy Update: CSCB Board, Committee, Pursue Swift Changes to RPP Process"

In response to the significant disruptions resulting from the end of the Release Prior to Payment (RPP) transition measures, the CSCB has initiated urgent advocacy efforts on several fronts:

- The CARM Financial Security Task Force convened an urgent meeting on Thursday, May 22. The task force identified several key asks for the CBSA, including a temporary increase in the amount of CBSA resources allocated to CARM help desk support to address RPP system-related issues. CSCB staff acted immediately on this proposal, resulting in the CBSA's agreement to add more resources to the CARM help desk during the weekend of May 24-25 (CARM Help Desk support this weekend). We continue to pursue other action items identified by the task force.
- The CSCB Board of Directors convened an urgent meeting on Friday, May 23, and directed that a letter be sent to CBSA Vice-president Jennifer Lutfallah seeking an urgent system change to allow financial security that is transmitted by a surety provider via API to be immediately applied to an importer's RPP account, without further intervention/action by the importer.

CSCB staff continue to engage daily with CBSA to seek resolutions to your RPP-related issues. Please continue to watch the daily Trade News posts for updates (such as <u>CARM RPP: What we know</u>), and send your questions concerns to us at <u>cscb@cscb.ca</u>. *Source: CSCB*

May 27 | "CIFFA Writes to CBSA with Request for Clarification and Reconsideration of New Surety Bond Acceptance Requirement in CARM"

Bruce Rodgers, Executive Director of CIFFA, sent an email yesterday to the CBSA's Kerri-Anne Whittaker, Director, CARM Business Relationship Management. Bruce wrote:

I am writing to seek clarification regarding the recent change implemented on May 20th, 2025, in the CARM Client Portal concerning the acceptance process for commercial surety bonds.

Prior to this date, when a surety bond was submitted via the API by a surety company, the system automatically recorded and accepted the bond on behalf of the importer. This allowed for a streamlined process that reduced administrative burden and minimized the risk of delays in release prior to payment (RPP) privileges.

As of May 20th, the process changed whereas importers are now required to manually log in to the CARM Client Portal and explicitly accept the bond for it to be activated. While we recognize the importance of accountability and visibility in financial security management, this new step introduces added complexity and disruption to import operations—particularly for importers who are unaware of this change or are not regularly monitoring the portal.

When an API bond is submitted, it should automatically trigger enrollment within the system, removing the need for importers to manually log in and activate it. This was the original intent of the API functionality, and customs brokers were strongly encouraged to rely on automation rather than intervene manually. As a result, brokers are now scrambling to support importers who are either unaware of this new requirement or unsure how to complete the manual steps. The outcome has been increased workload, confusion and shipment delays, despite the availability—and intended use—of automation to streamline this process.

We respectfully urge the CBSA to reconsider and revert to the previous process, where bonds submitted via API were automatically accepted on behalf of the importer. That approach ensured timely activation, reduced friction, and supported a more efficient and reliable financial security process for all stakeholders.

We appreciate your continued efforts to modernize and improve the customs process and look forward to your response on this matter.

When Bruce receives a response from CBSA on this issue, we will share information with members through the eBulletin. **Source: CIFFA**

May 28 | "CBSA CARM Team Provides Additional RPP Resources; Updates to User Guide and New Bulletin"

The CBSA CARM team has updated the User Guide titled "Post financial security for Release Prior to Payment (RPP) privileges" and issued a new bulletin titled "Common Release Prior to Payment and Financial Security Challenges with Resolution Steps" which provides the typical steps to resolve some frequently seen issues.

The English versions of the documents can be found here (link)

And French versions here (<u>link</u>).

Source: CSCB & CIFFA

CARM Client Portal

User Guide

Post financial security for Release Prior to Payment (RPP) privileges



May 29 | "CSCB Continues to Advocate for Improvements to CARM Registration and Delegation of Authority Processes"

As part of our ongoing efforts to seek CARM improvements to benefit our members and their importer clients, on May 29th, the CSCB sent the <u>attached letter</u> to CBSA Commercial and Trade Vice-President Jennifer Lutfallah. The letter identifies three priorities related to registration and delegation of authority in the CARM Client Portal:

- Implementation of a streamlined process and service standards for registration of nonresident importers (NRI);
- Implementation of a "fast lane" to provide dedicated help desk support for customs brokers; and
- Early and continued visibility on CBSA's CARM enhancement planning and prioritization.

Please continue to send your questions and concerns about CARM to <u>cscb@cscb.ca</u> so that our Board and Committees can review and prioritize for advocacy as appropriate. *Source: CSCB*

Customs News Articles contact:
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