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November 16, 2022

Ms. Erin O'Gorman  
President  
Canada Border Services Agency  
191 Laurier Avenue West, 6th Floor  
Ottawa, Ontario  
K1A 0L8

Delivered by email: [erin.ogorman@cbsa-asfc.gc.ca](mailto:erin.ogorman@cbsa-asfc.gc.ca)

Subject: CARM - CBSA ASSESSMENT AND REVENUE MANAGEMENT, AND BUSINESS EVENTS

Dear Ms. O'Gorman:

We are writing as a follow-up to our previous letter from Beth Potter, President and CEO of the Tourism Industry Association of Canada, dated January 7, 2022, to your predecessor, John Ossowski, formally requesting a review of exhibitions, trade shows and conventions that will be impacted by CARM. In its current design, this new system would inadvertently dissuade foreign participation in the Business Events sector in Canada from importing into Canada due to the complexity proposed under the CARM solution.

We would appreciate the opportunity to meet with you at your earliest convenience to discuss our proposal, address any questions or concerns you may have and reach consensus that our proposal can be implemented into CARM.



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The Business Events sub-sectors impacted are exhibitions, trade shows and conventions. In our previous letter, we referred to this area in its broadest sense as the MC&IT sector. We have attached a copy of that letter for your reference.

Prior to the pandemic, the Business Events sector represented a significant proportion (39%) of overall tourism activity in Canada, accounting for \$41 billion in total spending. Of this amount, \$9.4 billion came from international customers who chose Canada to host their business events or otherwise showcase their goods. This economic activity sustained more than 700,000 jobs. However, COVID-19 decimated this sector.

While overall tourism activity in Canada is slowly returning, our latest forecasts indicate the Business Events sector, especially the international segment, will be the last of all tourism sectors to recover. Largely this is due to the long planning cycle that is typical for such events which incorporates the solicitation phase to when the event actually takes place (i.e., 3 to 10 years). Current forecasting suggests that it could take 3 to 5 years for the Business Events sector to return to its pre-pandemic activity level.

With a view to aiding the sector's recovery, it is essential that the CARM solution recognizes the process in the Business Events sector as it pertains to the temporary importation of non-commercial goods (i.e., goods imported into Canada temporarily to be showcased at an event, and then re-exported immediately following the event).

It is critically important to highlight that if the owners of foreign goods or their event manager intermediaries cannot continue to utilize streamlined and efficient use of temporary importations, this places at risk \$10 billion of economic activity per annum and thousands of jobs in this sector. It is equally relevant to note that such activities related to Business Events represent an extremely low risk for both CBSA and the federal treasury.

Since January, we have had several meetings with CBSA officials Mike Leahy and Doug Band, including members of their respective teams. These meetings were productive and allowed for a significant exchange of information related to CARM, the function of the Business Events sector, and in particular the role of customs brokers who specialize in assisting with the importation of goods for business events. We greatly appreciate the time your officials afforded us and the information they have shared which has assisted us in formulating the following proposal.

Ideally, the following changes would need to be implemented to ensure CARM and CBSA's International Events and Convention Services Program (IECSP) can help deliver on our shared goal of attracting more foreign businesses and organizations to choose Canada as a premier destination to hold their business events and showcase their goods.

CARM must provide an option to allow a customs broker to account for the temporary importation of non-commercial goods intended to be showcased at a business event in Canada under their importer business number. Further, they must be able to act on behalf of the foreign owner of the goods or any intermediary (e.g., business event



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manager) without requiring the foreign owner or intermediary to assign such authority to that customs broker through a General Agency Agreement which is in place today and is required for a customs broker to act as an agent on their behalf.

In CARM there is no linkage between the CAD import document and the IECSP file number assigned by CBSA's IECSP team. We believe there needs to be. We are requesting this modification for several reasons. Linking the IECSP file number to the B3 would assist CBSA in their monitoring activity after export and greatly assist in the event of a post-event audit verification identifying transactions tied to a specific event. As the business events sector recovers the volume of declaration will grow exponentially year over year. Additional benefits to linking these would also help facilitate data analytics to monitor the overall performance of the Business Events sector and assist in refining the approach thus encouraging a greater number of foreign partners to choose Canada as the location to host their events or showcase their goods.

While we appreciate that the authority for determining classification headings under Chapter 98, as outlined in paragraph 2 of the D8-1-1, does not rest within CBSA, we nonetheless highlight the need to have some of the former headings reinstated. We note that there are many different types of commodities that are imported for display and demonstration each year at business Events. This is an area of activity long considered low risk, especially when facilitated through the IECSP.

Re-instating the former Chapter 98 headings would help to create efficiency in CBSA verification audits by removing goods considered low risk from classification verification, whilst still allowing for verification of Chapter 98 eligibility. It would also relieve some of the risk to customs brokers acting as the importer of record, as necessitated by CARM, for shipments related to business events.

The former headings in question are the following:

- Heading 98.19 – Goods imported for a period not exceeding six months for the purpose of display at a convention or a public exhibition at which the goods of various manufacturers or producers are displayed.
- Heading 98.23 – Specified goods imported on a temporary basis from Mexico, United States or Chile:
  - 9823.10 – Professional equipment necessary for carrying out the business activity, trade or profession of a businessperson who qualifies for temporary entry pursuant to Chapter 16 of the North American Free Trade Agreement or Chapter K of the Canada-Chile Free Trade Agreement
  - 9823.20 – Equipment for the press
  - 9823.30 – Equipment for sound or television broadcasting
  - 9823.40 – Cinematographic equipment
  - 9823.50 – Goods for sports purposes



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- 9823.60 – Goods intended for display or demonstration
- 9823.70 – Commercial samples
- 9823.80 – Advertising films
- 9823.90 – Conveyances or containers based in the United States, Mexico or Chile engaged in the international traffic of goods.

In closing, we wish to thank your team for being so responsive to our concerns related to CARM, and for assisting in identifying the necessary modification as outlined which will support and ensure the continued recovery and growth of the Business Events sector. We look forward to having the opportunity to discuss our proposal with you in the next few weeks. TIAC will contact your office in the coming days to explore your availability.

Regards,

(Signatories in Annex)

c.c.:

Rob Stewart, Deputy Minister, Public Safety Canada  
Catherine Blewett, Deputy Minister, Economic Development, ISED  
Mary Gregory, Associate Assistant Deputy Minister, Industry Sector, ISED  
Patrick Halley, Associate Assistant Deputy Minister, International Trade and Finance, Finance Canada  
Fred Gaspar, Vice President, Commercial and Trade Branch, CBSA  
Mike Leahy, Director General, CARM, CBSA  
Doug Band, Director General, Trade and Anti-dumping Programs Directorate, CBSA  
Krista Apse, Director General, Tourism Branch, ISED

Attachment



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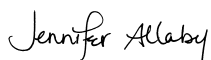
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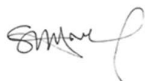
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## ANNEX



Jennifer Allaby  
Executive Director  
Canadian Association of  
Exposition Management



Susie Grynol  
President and CEO  
Hotel Association of Canada



Laura Pallotta  
Chair, Executive Team  
Meetings Mean Business Canada



Scott Beck  
President and CEO  
Destination Toronto



Lorenz Hassenstein  
President & CEO  
Metro Toronto Convention Centre



Beth Potter  
President and CEO  
Tourism Industry Association  
of Canada



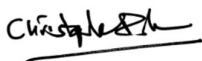
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Christopher Bloore  
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