



TaxNewsFlash

Canada

Importers — Assess Risk with CBSA's Latest 2025 Audit List

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Importers should determine whether their imported goods may be subject to increased scrutiny from the Canada Border Services Agency (CBSA). Recently, the CBSA released an updated list of 11 specific categories of imported goods that it is targeting for audit investigations to ensure importers are properly meeting their trade obligations. Importers and retailers of imported goods on this verification priorities list should ensure they meet all related trade obligations to help verification of these imports. Specifically, the latest list has been updated to remove indicator panels and light-emitting diodes (LED).

KPMG's Trade and Customs professionals can help businesses identify imported goods in their supply chain that may be subject to increased verification activities (also known as audit activities) from the CBSA, and ensure that they are meeting their trade compliance obligations on these and other imported goods.

Background

The CBSA updates its list of verification priorities every six months. This list is divided into three separate groups based on specific types of errors:

- Tariff classification — Goods for which importers may have used an incorrect tariff classification
- Valuation — Goods for which importers may have assigned an improper valuation

- Origin — Goods for which importers may have incorrectly determined the proper origin (often related to tariff treatment under a trade agreement).

Where importers have made any of these particular errors, they face assessments for additional duties and taxes owed as well as penalties. In some cases, importers may be entitled to refunds if errors lead to overpaid duties and taxes.

CBSA’s latest verification priorities

The CBSA has released its list of verification priorities dated January 2025. Although the CBSA has removed the category for indicator panels and light-emitting diodes (LED) from its list, these imports continue to be subject to regular verification processes.

The CBSA’s latest list identifies the following targeted goods:

Tariff classification

- Gloves
- Bags
- Freezers and other freezing equipment
- Washers and dryers
- Spent fowl
- LED lamps
- Furniture for non-domestic purposes
- Bicycle parts
- Disposable and protective gloves

Valuation

- Apparel

Origin

- Bedding and drapery

KPMG observations

The CBSA audits targeted goods that are imported into Canada as well as other goods, including those imported as “duty free” under trade agreements. For duty-free imported

goods, importers must ensure these goods meet all of the requirements under the relevant trade agreement (e.g., the rules of origin). Importers should also ensure they continuously review these agreements for changes and updates that could potentially affect their imported goods.

Note that importers who work with customs brokers are still responsible for any information reported on customs documentation and applicable duties and taxes.

We can help

KPMG’s Trade and Customs professionals help businesses identify imported goods in their supply chain that are subject to the CBSA’s latest list of audit priorities so that they can assess operational risks related to increased verification activities. Our professionals also assist in managing the complexity of other trade and customs rules and regulations, and provide insight on current Trade and Customs practices and benchmarks related to various industries. Specifically, we offer a wide range of services, such as:

- Offering solutions to help identify trade compliance risks and obligations
- Identifying operational weaknesses that can create trade compliance challenges
- Filing voluntary disclosures to correct issues prior to discovery in a CBSA verification to help mitigate penalties and interest
- Reviewing software solutions to automate post-entry reviews
- Identifying duty recovery opportunities
- Offering trade managed services, with flexible options to outsource all or part of your customs function
- Reviewing supply chains to help businesses meet the latest reporting obligations under the recent legislation and proposals related to fighting against forced labour and child labour.

For more information, contact your KPMG advisor or one of the following Trade and Customs professionals:

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