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# Tax Alert – Canada

## The CBSA initiates its first anti-circumvention investigation with respect to the dumping and subsidizing of certain container chassis

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

On 25 November 2024, the Canada Border Services Agency (CBSA) initiated an investigation under the *Special Import Measures Act*<sup>1</sup> (SIMA), respecting the alleged circumvention from Vietnam of the Canadian International Trade Tribunal's finding made on 18 February 2022 in inquiry NQ-2021-005, with respect to the dumping and subsidizing of certain container chassis from the People's Republic of China (the subject goods).<sup>2</sup>

This is the first time the CBSA has initiated an anti-circumvention investigation, which aims to assess whether trade and business practices have been altered to avoid the application of SIMA duties. Amendments to the SIMA introduced as part of the federal government's 2022 budget provide the CBSA with additional discretion to find circumvention.<sup>3</sup>

The subject goods are defined as follows:<sup>4</sup>

"Container chassis and container chassis frames, whether finished or unfinished, assembled or unassembled, regardless of the number of axles, for the carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off and/or rail transport, and certain subassemblies of container chassis originating in or exported from the People's Republic of China.

<sup>1</sup> R.S.C., 1985, c. S-15.

<sup>2</sup> [Notice of initiation of anti-circumvention investigation: Container Chassis \(CC 2024 AC\)](#).

<sup>3</sup> [Canada Gazette, Part 2, Volume 156, Number 14: Regulations Amending the Special Import Measures Regulations and the Canadian International Trade Tribunal Regulations](#).

<sup>4</sup> [Certain Container Chassis - Canadian International Trade Tribunal](#).

Excluding:

- ▶ Dry van trailers, meaning trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself;
- ▶ Refrigerated van trailers, meaning trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems; and
- ▶ Flatbed or platform trailers, meaning trailers that consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

For greater certainty, the subject goods include the following complete or substantially complete major subassemblies, when imported, purchased or supplied with, or for assembly with, subject container chassis frames:

- ▶ Running gear assemblies for connection to the container chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may include suspension(s), wheel end components, slack adjusters, axles, brake chambers, locking pins, tires and wheels;
- ▶ Landing gear assemblies, for connection to the container chassis frame, capable of supporting the container chassis when it is not engaged to a tractor; and
- ▶ Connection assemblies that connect to the container chassis frame or a section of the container chassis frame, such as B-trains and A-trains, capable of connecting a container chassis to a converter dolly or another container chassis.”

The CBSA’s notice of initiation provides a brief summary of the complainant’s allegations. Additional information about the investigation will be provided by the CBSA in its statement of reasons, which is to be issued by 10 December 2024.<sup>5</sup>

The CBSA’s published investigation schedule provides due dates for responses to importer and exporter requests for information and comments on the statement of essential facts from all interested persons.<sup>6</sup>

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<sup>5</sup> [Notice of initiation of anti-circumvention investigation: Container Chassis \(CC 2024 AC\)](#).

<sup>6</sup> [Anti-circumvention investigation schedule: Container Chassis \(CC 2024 AC\)](#).

## Learn more

For more information with respect to the CBSA's anti-circumvention investigation, please contact one of the following EY professionals:

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