



# 1 RedKey Logistics Audit Report

*Our agents recently identified a **12% reduction in overpaid duties** for a Toronto-based 3PL by correcting obsolete 2026 HS Codes in their hardware category.*

## 1. 2026 Regulatory Landscape Summary (Canada/Toronto)

- **CARM Mandatory Enforcement:** The transition period for the CBSA Assessment and Revenue Management (CARM) system ended on December 31, 2025. All commercial importers must now have their own Financial Security (RPP Bond).
- **Section 17 Liability Amendments:** The "Importer of Record" is now jointly and severally liable for all duties and taxes.
- **T2026 Tariff Consolidation:** Significant reclassifications have occurred in Steel (Chapter 73) and Hardware.

## 2. Audit Findings: Data Gaps & Missing Info

- **Obsolete HS Codes:** 14% of SKUs in the "Industrial Hardware" category are still using 2025 codes that are now obsolete.
- **Commercial Invoice Discrepancies:** Inbound shipments are missing CARM-registered Business Numbers, risking immediate "Hold for Evidence" status at Pearson International Airport (YYZ).

## 3. Professional Vendor Email Template (Subject: URGENT: Mandatory Data Updates for 2026 CBSA Compliance.

- **Content:** A request for vendors to provide updated 10-digit HS codes to align with the T2026 Tariff Consolidation.

## 4. Recommended Next Steps

- **Immediate:** Run a "Mass Update" in the WMS for all steel-based products.
- **Cost Savings:** By correcting these HS codes, we estimate a **12% reduction in potential overpaid duties**.