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Tax Alert – Canada

The CITT continues its order under SIMA concerning carbon steel welded pipe; CBSA to update SIMA values annually

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On 24 December 2024, the Canadian International Trade Tribunal (CITT) concluded expiry review RR-2023-009 and issued an order pursuant to paragraph 76.03(12)(b) of the *Special Import Measures Act*¹ (SIMA), continuing its order in expiry review RR-2018-001² concerning the dumping and subsidizing of carbon steel welded pipe originating in or exported from the People's Republic of China (the subject goods).³

In addition, on 13 January 2025, the Canada Border Services Agency (CBSA) issued its new policy to conduct annual administrative reviews of normal values, export prices and amounts of subsidy (SIMA values). The review process will be conducted using a tiered system based on the complexity of the required update.⁴

¹ R.S.C., 1985, c. S-15.

² [Statement of reasons–Expiry review determination: Carbon Steel Welded Pipe \(CSWP1 2024 ER\)](#).

³ [Tribunal Continues Order–Carbon Steel Welded Pipe from China \(RR-2023-009\) - Canada.ca](#). The CITT's original finding in respect of the subject goods in inquiry NQ-2008-001 issued on 20 August 2008 was continued, without amendment, in the order issued on 19 August 2013 in expiry review RR-2012-003, which was continued in the order issued on 28 March 2019 in expiry review RR-2018-001. For more information, see [Carbon Steel Welded Pipe - Canadian International Trade Tribunal](#).

⁴ [Memorandum D14-1-8: Administrative Review Policy - Special Measures Impact Act \(SIMA\)](#).

Order with respect to carbon steel welded pipe

The subject goods are defined as follows in the Order:⁵

“[C]arbon steel welded pipe, commonly identified as standard pipe, in the nominal size range of ½ inch up to and including 6 inches (12.7 mm to 168.3 mm in outside diameter) inclusive, in various forms and finishes, usually supplied to meet ASTM A53, ASTM A135, ASTM A252, ASTM A589, ASTM A795, ASTM F1083 or Commercial Quality, or AWWA C200-97 or equivalent specifications, including water well casing, piling pipe, sprinkler pipe and fencing pipe, but excluding oil and gas line pipe made to API specifications exclusively and excluding (1) carbon steel welded pipe in the nominal pipe size of 1 inch, meeting the requirements of specification ASTM A53, Grade B, Schedule 10, with a black or galvanized finish, and with plain ends, for use in fire protection applications, (2) carbon steel welded pipe in nominal pipe sizes of ½ inch to 2 inches inclusive, produced using the electric resistance welding process and meeting the requirements of specification ASTM A53, Grade A, for use in the production of carbon steel pipe nipples, and (3) carbon steel welded pipe in nominal pipe sizes of ½ inch to 6 inches inclusive, dual-stencilled to meet the requirements of both specification ASTM A252, Grades 1 to 3, and specification API 5L, with bevelled ends and in random lengths, for use as foundation piles, originating in or exported from the People’s Republic of China.”

Background

The CITT’s notice of expiry review issued on 19 February 2024 prompted the CBSA to initiate an investigation on 20 February 2024 to determine whether the expiry of the CITT’s order was likely to result in the continuation or resumption of dumping and subsidizing of the subject goods.

On 18 July 2024, pursuant to paragraph 76.03(7)(a) of the SIMA, the CBSA determined that the expiry of the order was likely to result in the continuation or resumption of dumping and subsidizing of the subject goods.⁶ Following this determination, the CITT began its expiry review, pursuant to subsection 76.03(10) of the SIMA, to determine whether the expiry of the order was likely to result in injury to a domestic industry.

Order of the CITT

Under paragraph 76.03(12)(b) of the SIMA, the CITT may continue its order made on 28 March 2019 in expiry review RR-2018-001, with or without amendment, if it determines that the expiry of the order is likely to result in injury to a domestic industry. The CITT found that the expiry of the order was likely to result in injury.⁷

⁵ [Carbon Steel Welded Pipe - Canadian International Trade Tribunal.](#)

⁶ [Notice of conclusion of expiry review investigation: Carbon Steel Welded Pipe \(CSWP1 2024 ER\).](#)

⁷ [Carbon Steel Welded Pipe - Canadian International Trade Tribunal.](#)

Anti-dumping and countervailing duties will continue to apply to the subject goods for the duration that the CITT's recently issued order remains in effect. The order expires after five years unless it is continued by the CITT following an expiry review conducted pursuant to subsection 76.03(1) of the SIMA. A request for an interim review may be filed with the CITT within the five-year period.

The CBSA's new administrative review policy for the SIMA

On 13 January 2025, the CBSA published Memorandum D14-1-8, *Administrative Review Policy - Special Import Measures Act (SIMA)*, which outlines its policy regarding annual administrative reviews to update SIMA values applicable to imported goods subject to CITT orders or findings.

Previously, SIMA values were updated on an *ad hoc* basis. To ensure more effective enforcement of the SIMA measures, the new policy aims to keep SIMA values current to market dynamics, which the CBSA will monitor.

Memorandum D14-1-8 also addresses the CBSA's existing policy with respect to retroactive assessments of duties. The CBSA may assess retroactive duties where it finds that the exporter has not adjusted selling prices to Canada to reflect changes in market conditions, prices, costs and terms of sale that could reasonably be expected to impact values.

Review process details

Various factors may be considered by the CBSA in determining whether to initiate an administrative review, including the volume of imports, changes affecting ministerial specifications, and changes in market conditions and/or the provision of subsidies.

If it is determined that a SIMA value update is required, interested parties will be notified and the CBSA will issue a request for information. The CBSA will consider the information received from respondents in assessing the applicable review process within the following three-tier system:

- ▶ Tier 1 review: The CBSA conducts and concludes its review with no further input where:
 - ▶ Information received from respondents is aligned;
 - ▶ SIMA values are for limited models from a cooperative exporter (or new product models); or
 - ▶ Information received is insufficient.
- ▶ Tier 2 review: The CBSA conducts further analysis and seeks additional input if necessary (e.g., to address discrepancies or to seek clarification).

- ▶ Tier 3 review: The CBSA conducts further analysis and comprehensive verification and seeks additional input to resolve complex issues. This analysis may include the consideration of new information on non-market economic conditions and/or particular market situations.

Each administrative review will examine anti-dumping and subsidy issues separately.

Learn more

For more information with respect to the application of anti-dumping or countervailing duties and the CBSA's new SIMA administrative review policy, please contact:

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