

The CBSA Assessment and Revenue Management (CARM) Project



SECTION 1

Overview

What is CARM?

The CBSA Assessment and Revenue Management (CARM) project is a multi-year initiative that will modernize how the CBSA assesses imported goods and manages revenue. Once fully implemented, CARM will streamline and automate business processes and offer online self-service tools to help the trade community do business in Canada.



BENEFITS OF CARM

- Simplifies the importing process
- Reduces the cost of importing into Canada
- Includes a CARM Client Portal that provides importers and customs brokers self-service access to information
- Provides a user-friendly online interface for importing goods into Canada
- Facilitates and improves consistency of compliance with trade rules

KEY FEATURES AND FUNCTIONS OF CARM

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| <ul style="list-style-type: none"> • Financial Security • CARM Client Portal (CCP) – User Roles and Registration • Delegation of Authority – Client and Employee Group Delegation • Commercial Accounting Declaration (CAD) • HVS/LVS Entries • C-Type Entries • V-Type Entries • Customs Self-Assessment (CSA) • Courier Low-Value Shipments (CLVS) / F-Type Entries, Commercial and Non-Commercial • Temporary Entries – Bonded Warehouse Entries | <ul style="list-style-type: none"> • Definition of Accounting Dates • Corrections & Adjustments • Pre-CARM Adjustments • Mass Adjustments • Rulings • Drawbacks • Billing Cycles • Financial Statements • Daily Notice (DN) • Statements of Account (SOA) • Customs Broker Summary Statement (CBSS) • Disbursement Concepts • Payment options |
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Release

CARM Timeline

R0 CARM RELEASE 0 – JANUARY, 2021

JAN 2021

The CBSA moved the existing Accounts Receivable Ledger (ARL) system from its current data centre configuration to the more reliable SAP S4/HANA system in preparation for supporting the IT requirements of the new revenue and cash management system.

R1 SPRING 2021

CARM RELEASE 1 – SPRING 2021

The CARM Client Portal will be accessible to current clients—importers, customs brokers and trade consultants.

Users will be able to:

- View and manage their accounts
- View transactions posted to their accounts
- Make payments by credit card or set up pre-authorized debit
- Delegate portal access to employees and third parties (such as customs brokers and/or trade consultants) to manage commercial imports activities
- File advance ruling requests
- Track the progress of rulings electronically
- Classify goods and estimate duties and taxes

R2 SPRING 2022

CARM RELEASE 2 – SPRING 2022

The CARM Client Portal will be available to all trade chain partners.

Users will be able to:

- Acquire a Business Number (BN9) and program account (RM account and/or Program ID)
- Submit, correct and adjust a *Commercial and Accounting Declaration* (CAD), which will replace the current *Customs Coding Form* (B3) and *Request for Adjustment Form* (B2), also available via Electronic Data Interchange*
- Post and monitor security to participate in the Release Prior to Payment (RPP) program as an importer**

* To coincide with CARM Release 2, The CBSA will replace the current B3 (*Customs Coding*) and B2 (*Adjustment Request*) forms and related processes with a new electronic declaration form, called the *Commercial Accounting Declaration* (CAD). Changes to the billing cycle will be introduced to harmonize the payment due dates for all transactions and simplify the ways account information can be corrected and adjusted.

** Importers interested in participating in the program will be asked to post financial security directly, with various online options.

Prepare for CARM

WHAT YOU WILL NEED

CARM Client Portal (CCP)

The CARM Client Portal (CCP) is the central feature of the CARM project which, once fully functional, will become the main communications interface between the CBSA and trade chain partners. Through the portal, users will have online self-service access to manage their customs transactions, including electronic submission of corrections and adjustments, applying for classification rulings, and the accounting and payment of any applicable duties, taxes and fees on their imported goods.

Although the CCP will be the new interface for communicating with the CBSA, it will still be possible to transmit data via EDI. Furthermore, the release process in the IID and ACROSS systems will not change with the implementation of CARM.

All trade chain partners that conduct commercial business with the CBSA will be required to register their business on the CARM Client Portal.

With CARM Release 1, only customs brokers, importers, and authorized trade consultants will have access to the CCP in order to create their individual user accounts and link their business account(s).

There are several steps for importers to follow in order to register on the CCP and delegate access to their account(s), internally to their employees and externally to their customs broker.

Business Number / Import-Export Number (RM)

Your CRA assigned 9-digit Business Number (BN) will identify your business account on the CCP, and any Import-Export Number (RM) extensions registered to your BN will identify your import-export program accounts.

HOW TO PREPARE

If you are an importer, here's how you can prepare for CARM Release 1 and 2:

Release 1

- Set up your *CARM Client Portal* user account by acquiring a [GCKey](#) or using a [Sign-In Partner](#) and link to your business account
- Create your business portal account and delegate authority to your employees and/or customs broker and/or trade consultant
- If you do not already have an RM extension set up, contact Farrow and we will apply for an importer/exporter extension on your behalf

Prior to Release 2

- Set up your *Importer Security Bond* as this will be MANDATORY under CARM, and you will not be able to import without it. You will no longer be able to use the customs brokers bond—speak with your customs broker or a surety company for assistance in obtaining a surety bond
- If you do not already have an importer RM extension set up, access the CCP, create your account, and apply for an importer RM extension directly through the CCP.

WHAT YOU NEED TO KNOW

CARM Client Portal (CCP) User Roles

Prior to accessing the CARM Client Portal (CCP), please review the user profile definitions and roles below, and determine the list of CCP users and account administrators for your business.

User Roles:

- **Business Account Manager (BAM)**

Manages the daily customs operations and has full access to all business and program accounts. They are responsible for approving any access requests, from either employees or their customs broker, and for assigning user roles to each new user. Business accounts can only be set up by a Business Account Manager (BAM). It is **HIGHLY recommended to set up more than one BAM with complete management access to cover any absences, and to share in the administration of your business account(s).**

- **Program Account Manager (PAM)**

Has the ability to create, edit and view all program account information, and is responsible for approving and granting program access to employees. For example: If ABC Windows & Doors (the 9-digit legal entity) has two import divisions, RM 0001 ABC Windows and RM0002 ABC Doors, the BAM could assign a different PAM to each of the divisions/program accounts, or conversely the BAM could be the sole person responsible for all RM accounts.

The BAM may assign a different PAM for each RM account linked to the 9-digit business account, or conversely, the BAM may serve as the PAM for any and all RM program accounts. What this means is that you do not need to assign a PAM if you choose not to; the BAM could be the sole account manager at both the business and program level.

- **Editor**

Able to create, view and edit all transaction information within a program.

- **Reader**

Able only to view all transaction information within a program.

- **Expired User**

Allows the customs broker to be able to view information they submitted on behalf of a client, after the business relationship has expired.

- **Orphan User**

Has registered on the CCP, but has not been accepted or linked to any accounts.



CARM CLIENT PORTAL REGISTRATION

ALL CCP users must first create their Personal Profile before setting up any business or program profile accounts.

How to Register:

First-time Users – Business Account Manager(s) and all Employees:

1. Go to the Government of Canada website at <https://www.canada.ca/>;
2. Login to the CARM Client Portal via your GC Key or Sign-in Partner;
3. Create your personal profile.

If you are the BAM and would like to register your business, choose “Register My Business”:

- Enter your 9-digit BN and the importer RM extension to link to the business and program account(s);
- Provide your legal entity information – the corporate name and address registered with the CRA;
- Answer the set of infinity/security questions to validate your identity;
- Read and accept the Terms & Conditions covering the delegation of authority between importers and customs brokers;
- Review your business information to ensure accuracy.

If you are an Employee, choose “Request access to my employer”:

- Enter your employer’s 9-digit business number to link to your employer’s account;
- Add a justification note to request access to your employer’s business account. Example: “Hi, I need access to make corrections and adjustments,” or “Hi, I need access to view the monthly payables for our clients,” and then choose **Request Access**.
- Once approved, the BAM will designate a user role for each program account assigned to you.

If you are a BAM or PAM and would like to delegate access to your customs broker or service provider:

- From the CCP Home Dashboard, choose “Manage My Business Relationships” to review and approve (or reject) any pending requests listed under “Received requests.” This is where you will see any pending access requests from your customs broker or other service providers.
- If approved, designate access to your customs broker at the business or program account level;
- Set the Business Relationship Details to include an expiry date;
- Set the Visibility Rules to control how much information your customs broker can view or edit. The three visibility options are: Submitted by the Customs Broker; Submitted by you (the importer); and/or Submitted by Other Business (which could include another customs broker).

Only a licensed customs broker with delegated access or the importer can submit the CAD and/or make corrections to the CAD up until the payment due date. **To be clear, even if the customs broker submits the CAD, the importer can still edit and make corrections up until the due date, and adjustments after the due date.**

If you are a BAM or PAM and would like to delegate access to your employees:

- From the CCP Home Dashboard, choose Manage My Employees to review and approve (or reject) any pending employee requests listed under Access requests;
- If approved, select and designate access to any applicable program accounts, and assign the employee their CCP user role ie. BAM, PAM, Editor or Reader, for each program;
- Create Employee groups, based on their user profiles, to facilitate assigning groups of employees to either individual or grouped program accounts.

You are now set up to begin conducting business with the CBSA!

CARM Frequently Asked Questions

1. Must all CBSA clients have an account in the CARM Client Portal (CCP)?

All clients must have accounts in the CCP, and must link a CCP user account to their business account.

2. Will a new importer need a CCP account to complete a Type C CAD to obtain release at a CBSA office?

The importer, or their customs broker, will need to have access to the CCP (CARM Client Portal) to prepare a fully completed "Type C" CAD to obtain release of their goods (current B3 Type C "Cash" entry). This option will not be available via EDI. There will be a workstation available at the Port of Entry that will allow the importer/customs broker to access their portal account to prepare the CAD; alternatively, the importer/customs broker can complete and print the declaration for goods arrival processing ahead of time, if desired, to avoid completing the CAD at the CBSA office.

3. Once registered on the CARM Client Portal (CCP), if the business information is incorrect, can it be corrected on the portal?

With Release 1, importers and customs brokers will be able to see their business information in the portal, however, if there are errors in the data, only certain changes can be made in the portal. User account updates (email and phone contact information) and the delegation of authority can be changed via the portal. Legal entity information (i.e., business number or company name changes) will need to be changed as per the current process and updated with the CRA.

4. When an importer delegates authority to a "customs broker" does every person at that customs broker who will be accessing the portal or submitting a CAD have to register and set up an account?

Every individual who wishes to access the CARM Client Portal (CCP) will need to register and set up a user account and be delegated appropriate authority by their employer. CAD submissions may be performed via the CCP and/or EDI. Therefore, if you intend to submit a CAD through EDI, you will not necessarily need a portal user account. An importer will not delegate authority to individual employees, they will delegate authority to the customs broker business account through the business account manager (BAM). So unless you are a BAM, the importer will not delegate authority to you individually.

5. Will there be restrictions in the number of users that can be granted delegated access to a business account in the portal?

No, there are no restrictions to be made on the number of users that can be granted delegated access.

6. Can anyone submit a CAD?

A new commercial accounting declaration (CAD) will be introduced with CARM Release 2. The CAD can be submitted via electronic data interchange (EDI) or the CARM Client Portal. Only importers and delegated licensed customs brokers will be eligible to submit a CAD.

7. Which data elements will be used to validate if a CAD has been submitted in CARM for a released transaction. Will it be the 14-digit transaction number + importer number?

The transaction number on the CAD will continue to be used to acquit the transaction number on the release.

8. Who can access a transaction for correction prior to payment?

Only the importer and licensed customs broker who submitted the CAD will have access to make a correction prior to the payment due date. However, if the importer removes delegated access between CAD submission and the payment due date, only the importer will have access to make a correction.

SECTION 4

9. If an importer makes a correction to a CAD (before the payment due date,) will the original filer (i.e., customs broker) receive a notification that the entry has been revised?

No, the customs broker will not receive a notification. The importer will need to notify their customs broker that a change has been made.

10. Which data elements can be corrected on the CAD? Is anything else required other than filing the new version?

Most data elements, with the exception of the business number and the transaction number, can be done until the payment due date. If the correction results in a downward adjustment to the CAD, documents may be requested by the CBSA. If so, they will need to be uploaded in the portal.

11. Who is responsible to make sure that the starting point for an adjustment is the correct version if the CCS does not update drawbacks and blanket requests currently?

This does not change from today; an adjustment must be made against the most recent data.

12. Will the Statement of Account (SOA) be available to the customs broker via EDI?

The importer's SOA will be made available to any party with delegated authorization to view or download it on the portal. However, in order for a customs broker to receive it EDI, they will require authorization from the importer and must be set up with the TCCU as is required pre-CARM.

13. Will SOA authorization be grandfathered in CARM?

This question has been asked to the CBSA, we are waiting to hear back.

14. Will more than one customs broker be able to receive the SOA, contrary to the practice today of only one broker?

This question has been asked to the CBSA, we are waiting to hear back.

15. Will the Statement of Account be available in Excel?

No, the current design is protected PDF or EDI.

16. Will I be able to submit my release documentation through the CARM Client Portal?

Release documentation is not part of the CARM scope; however, you will be able to prepare and submit a fully completed CAD (Current C Type Entry) in the CCP and present the package for release at the port.

17. Will there be a system timeout in the CARM portal due to inactivity, and will there be an auto-save function that will save information input by user if there is a forced log off of their account?

CARM will align with a Single Sign-On (SSO) timeout of 20 (twenty) minutes without any key strokes. There is also an 8 (eight) hour limit for being logged in before being prompted to log in again. CARM is looking at the auto-save function for data entry.

18. Will late accounting penalties appear on importer Daily Notice?

Yes, they will appear on the Importer DN and appear on the Statement of Account.

19. How will the CBSA know to expect the accounting information from the importer vs the customs broker who filed the clearance?

The CBSA will expect the CAD within the time limit (max 5 business days from release) from either the importer or a delegated licensed customs broker, regardless of who submitted the release documentation.

SECTION 4

20. Will GST be included in the financial security calculation?

Yes, the amount of security posted to an importer's account duties and taxes (GST), as well as interest, adjustments, ascertained forfeitures, and SIMA fees. The bond will secure any penalty fees, however, penalties are not used in the calculation of the amount of bond required to cover the account.

21. Will all importers be required to post security for release prior to payment privileges?

All importers will be required to post security to participate in the RPP program. If posting a surety bond, the amount of the security required for must be equal to or greater than 50% of the importer's highest monthly accounts payable to the CBSA within the most recent 12-month period from July 25th to July 24th, subject to a \$25K minimum. If posting a cash bond, the amount of security must be equal to or greater than 100% of the importer's highest monthly accounts payable to the CBSA within the most recent 12-month period from July 25th to July 24th, with no minimum.

22. Will Importers with monthly outlays of <5000 also be required to post security for release prior to payment?

Yes, see above, answer to Question 21.

23. Will the \$10 million cap remain?

Yes, the \$10 million cap currently in place will remain.

24. Which payment options will be available once CARM has been implemented?

A Pre-Authorized Debit (PAD) option, with a limit of \$99 million, will be the preferred method of payment, however, other electronic methods of payment will also be accepted, including debit and credit card payments. The limit for credit card payments is \$4,999.99. For debit payments, the limit set by the CBSA is \$100,000, and \$100M for PAD payments, but limits are ultimately set by the financial institution.

25. Can multiple credit card payments be made to cover one single amount owing?

Yes, multiple credit card transactions can be made to cover payments in excess of the \$4,999.99 credit card limit.

26. Will data remain in the portal for six years?

Yes, data will remain in the portal for six years, plus current.

Financial Security

This is a key area of change that will be impacted by CARM. This will occur during Release 2. CBSA will require all importers that want to participate in the RPP (Release Prior to Payment) program to enroll and post security with CBSA. (Spring 2022)

Options will be:

1. A cash bond;
2. A continual bond (surety bond);
3. A one-time bond;
4. Zero (\$0) Accounts Payable.

The posted financial security will secure all accounts payable, **including duties and taxes (GST)**, as well as interest, adjustments, ascertained forfeitures, and SIMA fees. The bond will secure any penalty fees, however, penalties are not used in the calculation of the amount of bond required to cover the account.

Posting a cash bond: The amount of security must be equal to or greater than 100% of the importer's highest monthly accounts payable to the CBSA within the most recent 12-month period from July 25th to July 24th. The cash bond can be posted to the account by making a deposit through the CARM Client Portal. Posting a cash bond is not possible until Release 2 go-live date in Spring 2022.

Posting a continual surety bond: The amount of the security required for non-cash bonds must be equal to or greater than 50% of the importer's highest monthly accounts payable to the CBSA within the most recent 12-month period from July 25th to July 24th. Importers without 12 months of history will need to estimate the amount of duties and taxes. The bond amount is also subject to a \$25K minimum and \$10M maximum. For example: If your client's highest monthly total was \$40,000, then 50% would be \$20,000, but they would need to secure a \$25,000 bond to respect the minimum.

Posting a one-time single entry bond: Details to come.

Zero (\$0) Accounts Payable: If an importer's highest monthly accounts payable is zero (\$0) within the most recent 12-month period, no bond will be required. If you start to import goods which result in a payable, or if you are issued an AMP or adjustment, the CARM system will monitor and measure your security utilization and nudge you to provide increased security. It is incumbent on the importer to maintain adequate security to cover their accounts payable per the requirement.

The CBSA will display the required bond amount on the CCP only as of CARM Release 2. Considering that RPP security is mandatory as of Day 1 of Release 2, it is therefore recommended that your clients calculate the required bond amount prior to Release 2. Your client needs to calculate the duties and taxes on all transactions, regardless of the customs broker, for the most recent 12-month period from July 25th to July 24th. This can be done by calculating the duties and taxes for each customs broker that they transacted business with during the period, and/or per monthly totals on the SOA, if they receive them from the CBSA or their customs broker(s). A Firm Report can also be requested by the importer, or through you, the customs broker, on behalf of the importer.

Under DDP terms, the Importer of record whose BN was used at the time of clearance is expected to have registered in the portal and secured the bond, and is ultimately responsible to pay the duties and taxes regardless of which party is being billed.

SECTION 5

It is important to note that although importers need to post bond at 50% of their highest monthly duty and taxes total, the CBSA is only going to issue nudges when they have exceeded the highest monthly duty and taxes total by 75%. For example, if an importer's highest monthly accounts payable is \$100,000 and they have secured a \$50,000 bond, the CBSA will issue a nudge when 75% of the \$100,000 has been utilized, and not at 75% of the \$50,000.

Post Release 2, if an importer is not registered on the RPP program with either a cash bond or secured bond (if applicable), the shipment WILL NOT be released without full payment in advance. Importers with \$0 monthly accounts payable, are not required to have a bond.

OUR SERVICES

- Canadian and U.S. Customs Brokerage & Consulting
- Freight Forwarding
- Parcel Delivery and LTL Shipping
- Transport and Express Shipping
- Warehousing and Pick & Pack Solutions

OUR CUSTOMS EXPERTISE

Moving goods through customs without delays takes expertise and reliability. We help clients adapt in the constantly changing world of customs and international trade to keep them ahead of the competition.

How can Farrow help you?

Let our certified customs brokers and shipping agents ensure your business meets Canadian and U.S. customs clearance and trade compliance.



Call 1.519.252.4415 to speak to a Farrow Business Development Consultant today or email carm@farrow.com.