



The CBSA Assessment and Revenue Management (CARM) Project

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Overview

What is CARM?

The CBSA Assessment and Revenue Management (CARM) project is a multi-year initiative that will modernize how the Canada Border Services Agency (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

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

KEY FEATURES AND FUNCTIONS OF CARM

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

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 MAY 2024

CARM RELEASE 2 – MAY 2024

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), apply 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 trade chain partners.

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

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

CARM Transition Plan - 180 days from the date of CARM Release 2 implementation in May 2024:

- Importers have 180 days to obtain RPP Financial Security without impacting importer release as long as the importer is registered in the CCP
- Import transactions for those importers without RPP Financial Security will be unsecured for those 180 days
- Customs broker RPP bonds will no longer be used to secure release of the goods unless the customs broker is the importer of record and uses their own business number.

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 for your business, a list of CCP users and account administrators.

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 www.canada.ca
2. Login to the CARM Client Portal via your GC Key or Sign-in Partner;
3. You will automatically be prompted to register for multi-factor authentication if you have not previously completed the registration process.



4. Multi-factor authentication (MFA) is a process that protects your information from being used by someone else.
5. Multi-factor authentication requires you to type in a unique series of numbers, called a multi-factor authentication passcode, every time you log in to the CARM Client Portal.
6. This passcode will be sent to the email address that you provide when you register.
7. Upon accessing the CARM Client Portal for the first time after creating the account, you will be prompted to create a personal profile before you can access the CARM Client Portal for your Business.

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 you 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!

Financial Security

This is a key area of change that will be impacted by CARM during Release 2 (May 2024). CBSA will require all importers that want to participate in the Release Prior to Payment (RPP) program to enroll and post security with CBSA.

Bond options include:

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

The CBSA announced on March 30, 2023, that financial security will NOT be required from the government departments and agencies listed in the following schedules of the Financial Administration Act:

- Schedule I,
- Schedule I.1
- Schedule II
- Crown corporations listed in Schedule III, Part I of the Financial Administration Act;
- Provincial and territorial government departments and ministries.
- Liquor Control Boards enabled by the Importation of Intoxicating Liquors Act

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 business account by making a deposit through the CARM Client Portal. Posting a cash bond is not possible until Release 2 go-live date in May 2024.

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 Administrative Monetary Penalty (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.

SECTION 4

The CBSA will display the required bond amount on the CCP only as of CARM Release 2. Considering that Release Prior to Payment (RPP) security is mandatory as of Day 1 of Release 2, it is therefore recommended that importers calculate the required bond amount prior to Release 2. Importers need 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 Statement of Account (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 the customs broker on behalf of the importer.

Under Delivery Duty Paid (DDP) terms, the Importer of Record whose Business Number (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.

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.

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This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

OUR SERVICES

- Customs Brokerage
- Global Logistics
- Global Consulting
- Warehousing & Distribution
- Ground Transportation

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.



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