



Canada Border
Services Agency

Agence des services
frontaliers du Canada

Canada

CARM Post-implementation Transition

Trade Chain Partner Information Session



October 2024

PROTECTION SERVICE INTEGRITY | PROTECTION SERVICE INTÉGRITÉ

Agenda

- Opening Remarks
- CARM Release 3 Implementation Update
- Post-implementation Transition Measures
- Client Resources and Support
- Q & A (*participants to use the meeting chat to send in questions*)
- Next Steps & Closing Remarks



CARM Release 3 Implementation Update

CARM Release 3 Implementation Update

- **Trade Chain Partner Portal Onboarding Status:**
 - Registration: over **99,327 trade chain partners** are now registered on the CARM Client Portal
 - Percentage of transaction volume: approximately 95%
- **EDI and API CAD Software readiness of :**
 - 28 software package providers are certified, representing 99.72% of CBSA's electronic transaction volumes.
- **Cutover Plan Update:**
 - Activities related to cutover and implementation are **on track** for October 21.
 - As part of our cutover activities, CBSA successfully completed the first transactions in the CARM system via EDI and API with one of our certified service providers.
 - Tariff API is available now and was enabled sooner than expected.

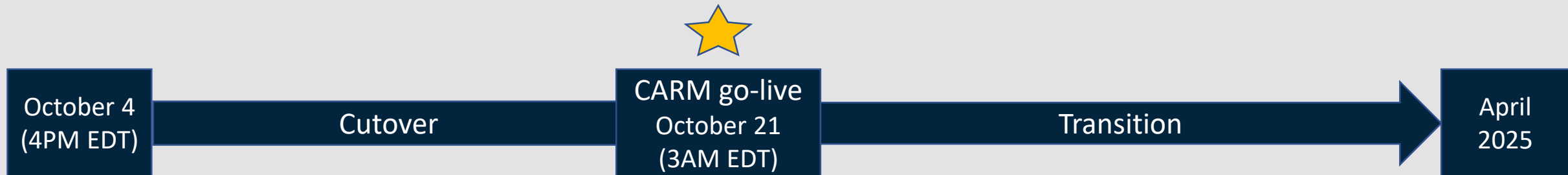


Post-Implementation Transition Measures

CARM Cutover & Transition Timeline

Cutover and Transition – Guiding Principles

- Maintain border fluidity, limit border disruptions
- Show flexibility for the CARM impacts



Post-implementation Transition Measures

- [Customs Notice 24-27: CARM October Implementation – Transition Measures](#) details the transition measures to ensure continued border fluidity and timely submission of accounting and payment of duties after CARM implementation on October 21, 2024.
- The information contained in this Customs Notice is applicable to commercial importers and customs brokers involved in the importation of goods into Canada.

Transition – Important Dates

Accounting penalties, late payment penalties and late payment interest grace period	October 21st 2024 to January 19th 2025
RPP Transition	October 21st 2024 to April 19th 2025
Use of Broker BN - CADs	October 21st 2024 to October 20th 2025
Use of Broker BN - New Non Resident Importer Release & CADs	October 21st 2024 to October 20th 2025
Use of Broker BN - First Time Commercial Importers Release & CADs	October 21st 2024 to October 20th 2025
Use of Broker BN - One-time Commercial Importers Release & CADs	October 21st 2024 to October 20th 2025
Use of Broker BN - Trade Shows and Conventions Release & CADs	On-going policy beyond the 12 month
Use of Broker BN – CLVS Commercial Goods CADs	October 21st 2024 to October 20th 2025

Late Accounting & Payment Penalties and Late Payment Interest

- The CBSA will not be automatically issuing late accounting penalties, late payment penalties and late payment interest for a period of 90 calendar days, following the October 21, 2024 implementation.
- However, the CBSA may issue late accounting penalties, late payment penalties, and/or late payment interest in cases where it is determined that the transition to the CARM system was not a factor.

Late Accounting & Payment Penalties and Late Payment Interest - Questions

- **Will CBSA consider extending the 90 day period if importers are continuing to encounter CARM related issues?**
 - The CBSA may adjust this timeline if it deems necessary to further mitigate the transition to CARM system.
- **Will other AMP contraventions be reviewed if it was determined that it was related to CARM transition (i.e audits)**
 - The CBSA may review an AMP contravention prior to issuance in order to determine if the transition to the CARM system was a contributing factor in the reason for the infraction.

180 day RPP Privilege

- All commercial importers who had an account with the CBSA as of October 4, 2024, will be extended RPP privileges for a period up to 180 days following go live. RPP transition period is applicable to goods imported and released via the commercial and CLVS stream.
- This **180 day period** will allow importers additional time to post financial security for RPP privileges.
- During the RPP Transition period, it will be very important that importers ensure that they post financial security in order to avoid disruption to the release of goods post 180 day RPP transition period.
 - Importers who have been extended the RPP privilege and have posted security within 180 days will **not be required to complete the RPP enrollment steps**.
 - **New Importers that obtain a BN15 after cutover started on October 4** will have to complete the RPP sub-program enrollment in the CARM Client Portal in order to benefit from the remainder of the 180 day RPP transition period.
 - **Important:** ensure communication with your security provider to confirm how the electronic security information will be provided to the CARM system (leveraging API or the portal). If providing a security deposit, leverage the portal prior to the end of the transition period.

180 day RPP Privilege Questions

- **When do we find out how much we have to post for financial security?**
 - Importers will be able to access this information via the CARM Client Portal starting on October 21st.
- **Where can we find our highest Account receivable for posting security? Will it show in the CCP when you are logged in?**
 - Importers will find this information via the **Financial security** page on CARM portal (**Home** or **Menu** → **Financial information** → **Financial security**). You will see a dashboard that indicates your security requirements for RPP, as calculated by CARM.
 - You would need to use the calculated security requirement to calculate how much security you will need to post.
 - **Option 1:** a financial security instrument for 50% of their highest monthly accounts receivable (inclusive of GST) with a minimum financial security of \$5,000 per import program (RM)
 - **Option 2:** security deposit for 100% of their highest monthly accounts receivable (inclusive of GST)

180 day RPP Privilege Questions

- **How can an importer confirm that they have been automatically enrolled in RPP?**
 - Confirmation of RPP enrollment will be indicated on the Importer's Program Account Profile, sub-program tab, RPP will be visible in the active program section.
- **What steps will a New Importer that obtains a BN15 after cutover started on October 4, need to complete to in order to benefit from the 180 transition period?**
 - New importers will have to complete the RPP sub-program enrollment in the CARM Client Portal following October 21st go live. Once enrolled new importers will be extended RPP privileges for the remainder of the 180 day period.

180 day RPP Privilege Questions

- **How much security would an importer be required to post if they had no activity the previous 12 months?**
 - If your account is new, you will be prompted to calculate the financial security amount you will need based on a self-assessment of business you estimate you will do in the future.
- **Can an importer post an amount that is lower than the system-calculated security requirement?**
 - The importer may request, through their financial security dashboard page on the CCP, to submit a security amount that is lower than the requirement calculated by CARM.
 - The request is subject to approval by a CBSA officer. The importer may be requested to provide (via CARM Case Management functionality) any required information and/or supporting evidence. If approved by the CBSA officer, the amount would be accepted and system monitoring would begin.
- **How would we know if our financial security provider linked our security to our CARM account?**
 - The importer can view the list of financial security posted to their account via Financial security page on the CARM portal (**Home** or **Menu** → **Financial information** → **Financial security**). They can also view details for each specific bond including the financial security provider, security number, amount, validity, etc.

180 day RPP Privilege Questions

- **What will happen if an importer does not post the required security within the 180 day period?**
 - If financial security is not provided within the 180 days transition period, the trade chain partner will be removed from the RPP program (at day 181).
- **Will importers be required to get their own Account Security Number (ASEC)**
 - At go-live the **ASEC** will not be linked to RPP security requirements and will not be issued under CARM RPP enrollment.
 - In CARM the bonded indicator will be linked to the **RM account in ACROSS for release purposes.**
 - ASEC would only be issued **in instances where the importer requires a transaction number to** facilitate outbound EDI transmissions. This would be completed during the EDI enrollment process.

180 day RPP Privilege Questions

- **Will the RPP review period change ? If so, how will it work and when will the change/first review period take effect?**
 - After October 21, 2024, the CBSA will conduct an annual review of the financial security requirement for each importer's RM business account.
 - The review period will be comprised of July 25 of a given year to July 24 of the following year.
 - The updated requirement will establish the new minimum financial security to be provided to the CBSA. The newly calculated requirement will be communicated to the importers by way of notification on the CCP in July/August and will be effective on October 15, date by which the importers are required to be compliant.
- **Where can we find the list of authorized financial institutions that issue Written Security Agreements?**
 - Updated D1-7-1 Appendix A, currently available in draft format on the CBSA website, provides the list of accepted Security providers. The updated version will be formalized on the CBSA website in alignment with the October 21, 2024 R3 go-live.

180 day RPP Privilege Questions

- **If a customs broker has arranged a surety bond on behalf of an importer, will that bond be transferred to CARM?**
 - Importers who have filed a RPP bond (i.e Importer Direct) with the CBSA, regardless who arranged for it, will have an active bond and it will be linked to RPP in CARM as a part of our cutover activities.
 - When the amount is not enough to meet the new CARM requirement, the importers will have the option to post additional security. System nudges will activate when the balance due is equal or higher than 75% of the total expected security coverage.
 - New bonds are to be sent via the Bond API or CARM Client Portal. Ensure you understand how your provider operates for bond transmission options.
- **During the transition if we are a c-type importer can we still complete the CAD and pay at POE at time of release?**
 - Importers will continue to be able to pay duties and taxes at the POE at the time of release.
 - Some commercial offices have been equipped with CARM Client Portal terminals to facilitate the c-type CAD entry or complete prior to arrival at POE at place of business/home/other via the CCP.

180 day RPP Privilege Questions

- **Is a Broker RM excluded from security calculation requirements during the transition period and what happens to the requirements after the transition?**
 - If a broker has an importation account under their legal entity, then this importation account will have a calculation as any other importer account.
 - *Following the RPP transition period, brokers will need to ensure they have posted sufficient financial security linked to their RM Import accounts*
 - Brokers will need use to the calculated security requirement to calculate how much security to post.
 - **Option 1:** a financial security instrument for 50% of their highest monthly accounts receivable (inclusive of GST) within the past 12 months with a minimum financial security of \$5,000 per import program (RM)
 - **Option 2:** security deposit for 100% of their highest monthly accounts receivable (inclusive of GST) within the past 12 months

180 day RPP Privilege Questions

- **Can you confirm that once the Portal is open that a Customs Broker can still hold a Surety bond, and still import under a client's Importer number and pay the duty/taxes on their behalf?**
 - Importers will no longer be able to use a broker's RPP security to obtain the release of imported goods before paying duties.
 - In CARM the bonded indicator will be linked to the **RM account in ACROSS for release purposes.**
 - For a 12-month transition period, the use of broker BN15 will be allowed under specific scenarios.
 - *Following the RPP transition period, brokers will need to ensure they have posted sufficient financial security linked to their RM Import accounts*
- **Will a customs broker, who has been delegated authority, be able to view their importer clients' security requirement? Will a customs broker be able to verify if an importer has successfully enrolled in RPP (i.e RPP indicator)?**
 - A customs broker will not have visibility to an importer's security requirement
 - A custom broker will have visibility to confirm an importer's enrollment in RPP (i.e RPP indicator) in the program account profile section.

180 day RPP Privilege Questions

- **Does a grace period apply with respect to posting of security for temporary imports for E29B's? Is there any publication that provides clarity to this process and expectation both during and after transition?**
 - There is no grace period for posting of security for temporary importations using the new BSF865 form in CARM.
 - There is no exception if a CAD is used rather than a BSF865.
 - The BSF865 replaces the E29B for commercial temporary importations under Tariff Item No. 9993.00.00. Most goods originating in the U.S. with a Certificate of Origin presented will not require financial security to be submitted.
 - A CBSA officer may determine that financial security is required which must be submitted prior to the goods entering Canada. This can be completed in the CARM Client Portal.
 - Any valid Temporary Import Permit on a Form E29B for commercial goods accepted by the CBSA prior to R3 will remain valid following the R3 date until the goods leave Canada, and/or the permit expires
 - Please refer to Customs Notice 24-28: CARM Administrative Measures related to the Duties Relief Program, Duty Drawback Program and Commercial Temporary Importations under Tariff Item No. 9993.00.00 (cbsa-asfc.gc.ca).
- **During the transition will CARM send out notifications or alerts regarding financial security requirements/limits?**
 - CARM will continue to function as intended after go-live. The existing nudging framework will send messages to clients based on their financial security usage (75% or greater).
 - While we understand that many clients will not have financial security in place at the time of go-live, the nudging framework will send notifications to clients as it will help remind clients who have the RPP during the 180-day transition period to comply with the calculated financial security requirements if they wish to continue on RPP after the transition period is over.

Use of Broker BN15 – CADs

- For a **one year transition period** following R3 implementation, use of Customs Broker's BN15 to account (e.g., CAD Type AB, Type V) for commercial goods on behalf of an importer (including NRIs) who has a BN15 and obtained release of goods, but has not on boarded to the CCP, will be permitted.
- This transitional policy is designed to mitigate high potential for late accounting and payment.
- Submission of Form A48 RMD Corrector will **not** be required

New Non Resident Importer

- For a **one year transition period** following R3 implementation, the CBSA will allow the use of a Customs Broker's BN15 at time of release AND accounting for commercial goods of an NRI who has not registered in CARM and obtained a BN15.

Note: Following the RPP transition period, brokers will need to ensure they have posted sufficient financial security

Non Commercial (casual) Goods (Commercial stream)

- Current policy permitting the use of Broker BN/RPP to obtain release and account for non-commercial goods cleared through the commercial stream will be maintained.
- This will be **on-going policy beyond the 12 month transition period.**

First Time Commercial Importers

- Broker to direct their client to onboard to CCP and obtain BN15 immediately and prior to submitting release.
- If this is not feasible, a **one year transition period** following R3 implementation, the CBSA will allow the use of a Customs Broker's BN15 on the release and at time of final accounting for commercial goods for a first time importer who has not registered in CARM
- CBSA may choose to utilize CBSA administrative BN15 in these scenarios to facilitate release where no Broker is involved and no access to CCP. This option is not eligible for electronic release or RPP. Clients in this scenario must use CAD C-type.

One-time Commercial Importers

- For a **one year transition period** following R3 implementation, the CBSA will allow the use of a Customs Broker's BN15 to account for commercial goods for a one-time commercial importer who does not have a BN15 nor registered in CCP
- CBSA may choose to utilize CBSA administrative BN15 in these scenarios to facilitate release where no Broker is involved and no access to CCP. This option is not eligible for electronic release or RPP. Clients in this scenario must use CAD C-type.

Trade Shows and Conventions

- The CBSA will continue to allow Broker BN15 for trade show and convention goods.
- This will be **on-going beyond the 12 month transition period** following R3 go-live.

CLVS Stream - Broker BN – Accounting for Commercial Goods

- For a **one year transition period** following R3 implementation, the CBSA will allow for the continued use of a Customs Broker's BN15 to account for commercial goods on the F-type in the CLVS stream in scenarios where the importer, including NRIs, have not onboarded to the CCP.
- By allowing the use of the Broker BN15 will alleviate any concerns regarding the need for continued “immediate release” and any potential for overwhelming sufferance warehouses. CLVS shipments will **not** be stopped from release due to the commercial importer not having a BN15, onboarded to CCP, absence of CCP delegated authority or enrolled in RPP.

Note: following the RPP transition period, brokers will need to ensure they have posted sufficient financial security

CLVS Stream - Broker BN – Accounting for non-Commercial (Casual) Goods

- As a general rule, the BN15 belonging to the approved CLVS Courier participant should be used when submitting the F-type CAD for non-commercial goods.
- However, a number of brokers have indicated scenarios whereby they have a General Agency Agreement in place with certain non-commercial CLVS importers. In these scenarios, brokers will be permitted to submit the non-commercial F-type using the broker's BN15.

Note: following the RPP transition period, brokers will need to ensure they have posted sufficient financial security

V-type CADs for CLVS Goods Released in Error

- For a **one year transition period** following R3 implementation, if it is determined post release and delivery the goods did not qualify for CLVS clearance (e.g., HVS, OGD regulated, etc.), Broker BN15 may be used on the V-type CAD.
- *Following the RPP transition period, brokers will need to ensure they have posted sufficient financial security*

Use of Broker BN - Questions

- **If a Customs Broker uses their BN to account for goods that have been released under the Importer BN, will the Customs Broker be held liable for any future compliance issues?**
 - Under the *Customs Act* the importer or the owner of the goods is liable for duties and taxes.
 - Customs Brokers do not 'act in their own right' under the law. Customs Brokers act as an agent and transact business with the CBSA on behalf of an importer or owner of the goods.
 - During compliance verifications, the CBSA will establish at the outset who the 'true importer' or 'true owner' of the goods was at the time of import.

- **If a Customs Broker uses their BN to release and account for goods will the Customs Broker be held liable for any future compliance issues?**
 - Under the Customs Act the importer or the owner of the goods is liable for duties and taxes.
 - Customs Brokers do not 'act in their own right' under the law. Customs Brokers act as an agent and transact business with the CBSA on behalf of an importer or owner of the goods.
 - During compliance verifications, the CBSA will establish at the outset who the 'true importer' or 'true owner' of the goods was at the time of import.

NOTE: In June 2022, an amendment to the Customs Act received royal assent with a coming into force date to be later confirmed. Parliament amended section 17 of the act so that the entity that declares itself the importer of record on accounting documents is jointly and severally liable with the owner and importer of the goods for the payment of duties and taxes. Once this change comes into force, the BN used at the time of accounting will establish the importer of record on the Commercial Accounting Declaration (CAD). This means, whomever uses their BN to account will be liable for the duties and taxes, jointly and severally, with the importer and the owner of the goods

Use of Broker BN - Questions

- **What will happen if a broker releases goods under the Importer BN, and this importer is not registered in CARM, and the broker chooses not to submit the confirming entry under their Broker BN?**
 - Under the *Customs Act* the importer or the owner of the goods is liable for assessment of duties and taxes.
- **What will happen if a broker releases goods under the Broker BN, for an importer who is registered but has not delegated the broker, and the broker chooses not to submit the confirming entry under their Broker BN?**
 - Broker should not release goods under the Broker BN if an importer has registered in the CCP and has a BN15.
 - The broker would be required to complete an A48 RMD Corrector for a BN change from broker to importer prior to CAD submission. The CAD would then need to be submitted under the Importer BN.

Use of Broker BN - Questions

- **How will a Broker correct the BN when they have used their Broker BN for release and the importer registers in CARM after the release has been submitted?**
 - Broker would not be required to change the BN; however, should the broker wish to change the BN15 after the CAD has been submitted then they may do so by first ensuring the commercial client is registered in CARM. The customs broker would then submit an adjustment request to change the BN from theirs to the importer BN. No A48 RMD Corrector required.
- **If a Customs broker submits a CAD under their own BN for an importer that has not registered/or delegated, will the broker be permitted to submit a refund adjustment request under the broker BN?**
 - Under the Customs Act, Customs Brokers do not act in their own right rather they act as an agent and transact business with the CBSA on behalf of an importer or owner.
 - When processing an adjustment request in CARM that results in a refund, the CBSA must first establish who is eligible for the refund. This can vary case by case.
 - In most instances, the CBSA will confirm who in fact paid the duties and taxes in order to establish who is eligible for a refund.
 - In most instances, the customs broker using their BN to account for a commercial client in CARM who is not yet registered, will not be eligible for a refund. Instead the commercial client will need to register in CARM, the broker would then submit an adjustment request to change the BN on the transaction from theirs to the importer BN, and then the importer would subsequently request a refund.

Use of Broker BN - Questions

- **If an NRI does not have a business number and the broker refuses to use their own BN how will the CBSA release the goods?.**
 - The BN15 continues to be prescribed information that is required in order to obtain release of goods. CARM does not change that.
 - NRIs should already have a BN15 but in the case of a new NRI seeking to initiate the importation of goods to Canada, it is recommended they obtain a BN15 in advance of exporting goods to Canada.
 - Alternatively, the Agency will consider extending the use of the CBSA administrative BN15 should the goods already be physically arrived in Canada. However, this option is only available for release on a CAD C-type and will require payment of duties and taxes at time of release. With this consideration, this may not be a feasible option for NRIs whose broker chooses not to use their BN15.
- **What options does an NRI have if they do not receive the BN in a timely manner?**
 - For a **one year transition period** following R3 implementation, the CBSA will allow the use of a Customs Broker's BN15 at time of release AND accounting for commercial goods of an NRI who has not registered in CARM and obtained a BN15.
 - Alternatively, the Agency will consider extending the use of the CBSA administrative BN15 should the goods already be physically arrived in Canada.
 - However, this option is only available for release on a CAD C-type and will require payment of duties and taxes at time of release. With this consideration, this may not be a feasible option for NRIs whose broker chooses not to use their BN15.



Client Resources & Support

CARM Client Support Helpdesk

Get in touch with us:

- Online with the [client support contact form](#)
- Telephone: 1-800-461-9999 (toll-free from Canada or the U.S), select your preferred language and press 2 for CARM support.

Hours of operation

- Effective October 21: Monday to Friday (excluding holidays) from 7:00am to 7:00pm EST.

October Statement of Account

- As a result of the transition to the new CARM billing cycle we are expecting an increase in questions related to the October Statement of Account (SOA).
 - The SOA will be available on October 25.
 - The October SOA will include all CADs submitted during the period October 21, 2024 to October 24, 2024.
 - The payment for the October SOA is due on October 31, 2024.
- It is recommended that importers confirm their October SOA balances and payments with their Customs Brokers, if applicable.
- The CARM Client Support Helpdesk remains available for financial account inquiries.

CARM-Related D-memos

- CBSA has made CARM-related D-memos available on the CBSA Website ([Departmental memoranda \(cbsa-asfc.gc.ca\)](https://www.cbsa-asfc.gc.ca)) in advance of the October 2024 release.
- These D-memos are not yet in effect and are provided in PDF format with a watermark added.
- Formal publication will align with the October 21st go-live.

Other CARM Resources

- **CARM Playbook and User Guides** are now available on the CARM Client Portal, within the Onboarding Documentation section.
- The [CARM Engagement Mailbox](#) remains accessible to TCPs seeking additional information relating to CARM implementation.



Q & A



Thank You!