



CARM Trade Chain Partner Working Group – Record of Discussion

Wednesday, July 18, 2018 9:00-4:00 pm EST

Trade Chain Member Participants

Melanie Bédard

Milgram Customs Brokerage
mbedard@milgram.com

Janice McBride

Canadian Society of Customs Brokers (CSCB)
jmcbride@cscb.ca

Candace Sider

Livingston
csider@livingstonintl.com

Karin Muller (via Webex)

Magna International
karin.muller@magna.com

Debbie Price

Walmart
debbie.price@walmart.com

Lak Shoan

Canadian Trucking Alliance (CTA)
lak.shoan@ontruck.org

Jim Sutton

IE Canada
jsutton@iecanada.com

Ray Fischer

Ernst & Young (EY)
ray.fischer@ca.ey.com

Oryst Dydynsky

Descartes / AICBA
odydynsky@descartes.com

Emil Fiorantis (via Webex)

Dominion Group
efiorantis@dominiongroup.com

Thomas Wong

Global eTrade Services (GeTS)
vikram@globetrade.services

Michael Tamilya

CN / Rail Association of Canada
michael.tamilya@cn.ca

Susan Foster

FedEx
sfoster@fedex.com

Corrinne Pohlmann

Canadian Federation of Independent Business (CFIB)
corinne.pohlmann@cfib.ca

Bruce Rodgers

Canadian International Freight Forwarders Association (CIFFA)
bruceprodgers@gmail.com

CBSA Member Participants

Lisa Anawati

Vice-President, CARM Project
Lisa.Anawati@cbsa-asfc.gc.ca

Omar Subhani

Executive Director, CARM Project
Omar.Subhani@cbsa-asfc.gc.ca

Irene Serry

Director, CARM Portfolio Control and Stakeholder Relations, CARM Project
Irene.Serry@cbsa-asfc.gc.ca

Wilson Doan

Assistant Director, Operations Branch, CARM Project
Wilson.Doan@cbsa-asfc.gc.ca

Alexander Lawton

Director, Programs Branch, CBSA
AlexanderB.Lawton@cbsa-asfc.gc.ca

Benjamin Walker

Director, Programs Branch, CARM Project
Benjamin.Walker@cbsa-asfc.gc.ca

Richard Lavoie

Director, CARM Project Delivery, CARM Project
Richard.Lavoie@cbsa-asfc.gc.ca

Andre Bertrand

Manager, Programs Branch, CARM Project
Andre.Bertrand@cbsa-asfc.gc.ca

Joel Rank

Manager, Change Enablement Team, CARM Project
Joel.Rank@cbsa-asfc.gc.ca

Consulting Team

Peter Andress

Partner, Deloitte
pandress@deloitte.ca pandress@deloitte.ca

Glenn O'Flaherty

Director, Project Management, Deloitte
goflaherty@deloitte.ca goflaherty@deloitte.ca

Daniel Melkin Senior Lead, Customs Advisory, Deloitte

Daniel.Melkin@cbsa-asfc.gc.ca

Kevin Horseman

Director, Change Management, Deloitte
kehorseman@deloitte.ca Kevin.Horseman@cbsa-asfc.gc.ca

Jonathan Hopkins

Director, Business Transformation, Deloitte Jonathan.Hopkins@cbsa-asfc.gc.ca
jophopkins@deloitte.ca

Carola Daffner

Senior Lead, Solution Design, Deloitte
Carole.Daffner@cbsa-asfc.gc.ca

Prasanna Ellanti

Senior Manager, Customs Advisory, Accenture
Prasanna.Ellanti@cbsa-asfc.gc.ca

<p>Agenda Item #1: Welcome and Introduction</p> <p>Summary: The CBSA held CARM Business Transformation Workshops in June. The purpose of this meeting was to present initial conceptual design proposals and gather feedback from the Trade Chain Partner Working Group (TCP WG) members.</p> <p>The material presented and discussed is covered in the document entitled CARM TCP WG Consultation Session - July 18, which can be found on GCcollab.</p> <p>Action items: N/A</p>
--

<p>Agenda Item #2: Registration and Program Enrollment</p> <p>Registration feedback:</p> <ul style="list-style-type: none"> Clarify who is authorized to apply for the BN9. The CBSA Portal will need to guide clients through the steps because some importers and trade chain partners will not be aware of the Business Number application process. <p>Program Enrollment feedback:</p> <ul style="list-style-type: none"> For sub-working group deep-dive sessions, CBSAs should have a comprehensive list of CBSA programs that are available for enrollment. How will data be linked between the portal and internal Trade Chain Partner (TCP) systems? Some importers may have multiple accounts and want to make mass changes. <p>Conceptual system solution feedback:</p> <ul style="list-style-type: none"> The system should be integrated across CBSA accounts to avoid duplication of information requests and allow account information to be automatically populated. The system should provide functions that will allow the delegation of account management authority. It was suggested the CBSA consult Canadian Food Inspection Agency (CFIA) to see how their portal was designed. CBSAs should plan for the transfer of how tombstone data from legacy systems to the new CARM system. The members were favorable to managing security bonds at the account level. The members were favourable of capabilities that allow for communication channels between the CBSA and TCPs within the portal? It was noted that the proposed registration and program enrollment changes will force TCPs to “clean up” their BNs. There are probably multiple BN under one legal entity in the system currently. <p>Action Items:</p> <ul style="list-style-type: none"> CARM to share a list of CBSA programs. CARM to contact CFIA to learn about their portal. CBSA to ensure that the CARM solution provides clarity regarding who is entitled to obtain a Business Number, and the overall client account management delegation/authorization process.

<p>Agenda Item #3A: Assessment</p> <p>Assessment feedback:</p> <ul style="list-style-type: none"> A longer correction period to allow for additional and accurate information for the declaration would be appreciated. Pre-arrival information is not difficult for Brokers to provide as they are doing that already, but it may be more difficult for Carrier and Couriers as they have shorter window for imports. What is the mandatory date and/or timing for TCPs to provide pre-arrival information? What does the CBSA do with the pre-arrival information? What Single Import Declaration (SID) corrections can be made throughout the pre-arrival period? High level of concern was raised about having the accounting date as the release date because it will be a big shift in some TCP business models. Specific area of concern is when interest is being charged. This concept needs to be fully explained to avoid misunderstanding and concerns. An increase in amendments can be expected during the correction period. What is the intent of having the release date match the accounting date? Will TCPs have options for additional days to account based on their business model? With the interest accrued from time of release, this creates an environment for non-compliance. TCPs could possibly benefit from being able to request a GST credit 5 days earlier as debt would be posted 5 days earlier than today. In the proposed process, if the country of origin was amended, GST credit and duties would be wrong. If this process is implemented will Daily Notices be discontinued? There is an opportunity to improve overall compliance if we stretch the accounting period. The carrier deep-dive session will need to discuss the scenario when goods don't go directly to a warehouse. If the portal is used to enter the Single Import Declaration (SID), will the system generate the transaction number?

- If an importer starts to fill out information and then a broker later goes back in to fill in blanks, will it override the CBSA generated transaction number?
- Members would like to see a hover function to explain the data elements that need to be entered into the portal.
- Once you pick a mode of transportation – terminology for that mode should come up. The cargo number should be captured on the first page. eManifest data should merge data.
- For visibility purposes (i.e. Other Government Department (OGD) requirements) it would be good to see the status of shipments.
- If CBSA is suggesting a tool for tariffs classification – there should be a disclaimer explaining that the tool’s classification recommendation is only as accurate as the data that is provided by the user.
- The CBSA should consider using an audit trail for the Harmonized System (HS) code tool to avoid to monitor compliance.
- The HS classification/decision tree is important. The “Help me classify” tool might cause questions and lead the importer to reach out to a broker.
- Kiosk at customs houses are suggested.

- Action Items:**
- Clarification regarding the type of corrections that can be made to a declaration pre-arrival, and the timeframes for making changes prior to penalties being applied.
 - Consult with Comptrollership and Legal regarding the posted at release date.
 - Verify if TCPs could request a GST credit earlier if accounting date is aligned with the release date.

Agenda Item #3B: Re-Assessment

- Re-Assessment feedback:**
- How will information move through the portal for other clients (Participating Government Agency (PGA) regulated goods)?
 - Will CBSA offer non Portal options?
 - How can changes to an already submitted declaration occur?
 - Regarding B2 / B2G (casual imports), will commercial duties/taxes cover casual imports?
 - The authority to amend must be further discussed.
 - How quickly will amendments show in the portal?
 - Today TCPs must request a blanket B2 to make mass changes - are there discussions about making changes to this?

- Action Items:**
- CARM to explore options regarding the authority to amend.

Agenda Item #4: Financial Security

- Financial Security feedback:**
- Why does the CBSA need financial security?
 - TCPs would prefer one consolidated bond, at the account level
 - Automation will be a key benefit.
 - The interplay between how long is the liability period and who is responsible for it is important?
 - The US model for financial security is different. They have a broker management office. They audit brokers and maintain general agency agreements; if they feel the broker has not exercised reasonable care and due diligence, the broker may be subject to a penalty.
 - Shared liability is a concern, as many carriers do not realize they are liable. This needs to be communicated better.
 - There will be more complexity for CSA importers (need to make sure Trusted Trader (TT) benefits are not lost). TCPs do not want additional data requirements for TTs.

- Action Items:**
- CARM will review CBSA history of collecting on security bonds.

Agenda Item #5: Wrap-Up and Next Steps

- Summary:**
- The next consultation sessions will include:
 - August 22nd – billing, payment processing, collections, compliance
 - September (TBD) – tariff calculation and obligations, rulings, appeals, EDI
 - October (TBD) – trusted traders, reporting and analytics (trade), compliance (fraud)
 - The sub-working groups will enable targeted dialogue on topics concerning specific groups in the trade chain community, and findings will be reported back to the TCP WG. Ad-hoc meetings on certain topics may be held where alignment/consensus is required.
 - Sub-working group leads will be responsible for providing output from the deep-dive sessions. The CARM team will amalgamate output and determine if an ad-hoc meeting is required.
 - A calendar of TCP WG activity dates will be finalized and posted on GCcollab.
 - Site visits are being requested to better understand TCP business and to properly assess and address gaps.

Action Items:

- TCPs to register for GCcollab if they have not done so already.
- CARM to post calendar of TCP WG activity dates on GCcollab.
- CARM to send instructions on how to control notifications in GCcollab for documents posted.
- CARM to send a survey to TCPs to gather feedback on the quality of the first consultation session.

DRAFT