



CARM Trade Chain Partner Working Group – Record of Discussion March 30, 2022, 9:00am to 1:00pm – Virtual Session

<u>Trade Chain Member Participants</u>	<u>Trade Chain Member Participants</u>	<u>CBSA Member Participants</u>
Melanie Bédard Canadian Society of Customs Brokers	Petek Bal IBM	Fred Gaspar Vice President, Commercial and Trade Branch
Susan Foster FedEx / Canadian Express Association	Shannon Sommerauer CPMA	Mike Leahy Director General, CARM
Bruce Rodgers CIFFA	Kristy Mulvihill Jayson Ryan Kim Duquette Costco Wholesale Canada Ltd	Stephanie Drouin Executive Director, Change Enablement
Penny Moulton UPS	Karen Kancens (absent) Shipping Federation of Canada	Doug Band (Absent) Director General, Trade and Anti-Dumping Programs Directorate
Ray Fischer KPMG	Julissa Jaime (Absent) Ford Canada	Charles Melchers Director, Regulatory Trade Programs
Oryst Dydynsky Descartes / AICBA / CTA	Laurie Pasher Shawn Kloostra (Absent) Livingston International	Jimmy Fecteau Agency Comptroller
Anabela Bekic Tomasz Jasniewics Descartes	Jasmine Batalla Canadian Bankers Association	Sarah Williams Director, PMO
Candace Sider Livingston	CBSA Guests	Edith Laflamme Director, Trade Policy
Kristina Bryson Billinger IBM Canada	Kevin Horseman Stakeholder Engagement, CARM	Valery Sina Ba Director, Revenue and Accounting, FCMB
Karen Hou CVMA	Andrew Wishart (Absent) Louise Upton (Absent) Project Executive, CARM	Alex Lawton Director, Trade Compliance
Karin Muller Magna	Carola Daffner Solution Delivery, CARM	Kerri-Anne Whittaker Business Readiness, CARM
Kim Campbell Debbie Price IE Canada	Brennan Badgley Solution Design, CARM	Vladimir Omazic Ramona Eryuzlu-Maillet Stakeholder Engagement, CARM
Vikram Patel (Absent) Global eTrade Services	Jonathan Hopkins Business Transformation, CARM	Suhas Deshpande Senior Analyst, Trade and Anti-dumping
Cherie Storms (Absent) Gloria Terhaar (Absent) Carol Brown (Absent) Pacific Customs Brokers	Megan Wambolt Stakeholder Engagement, CARM	Kim Paradis Senior Advisor, Commercial Programs
Erol Ozberk Loblaw Company Limited	Sarah Fogh Stakeholder Engagement, CARM	Abderrahim Boussanni Team Leader, CBSA
Emil Fiorantis Dominion Group	Anusan Anandan (Absent) Stakeholder Engagement, CARM	Kerri Schleppe Manager, CARM PMO
Margaret Valtas Walmart	Janine Johnston (Absent) Cutover Lead, CARM	Todd Boucher (Absent) Director, Commercial Programs
Renate Jalbert Shannon Munson (Absent) June Corfield Susan Rasmussen FedEx	Eric Grenier (Absent) Director, CARM	Brenda Campbell Manager, Regional Programs
Sharon Clark-Koufis Steve Ness Surety Association of Canada	Andrew Jefferies (Absent) Partner, CARM	Eric Trudel Andre Bertrand Business Readiness, CARM
Dave Bucholtz (Absent) ABC Customs	Jason Porteous Solution Design, CARM	Patrick Mineault (Absent) Executive Director, ISTB CARM
Rachel Ng (Absent) CFIB	Andrew McGrath Solution Design, CARM	Shawn Hoag (Absent) Director General, Commercial and Trade
	Vicky Chau Solution Design, CARM	Christian Figueredo (Absent) Director, CARM Solution Delivery

Above list of core Working Members that were in attendance. Organizations may have brought additional SMEs to the session.

Agenda:
1: Opening Remarks/CARM Project Updates
2: Financial Security at R2
3: SAC Presentation on Surety Bonds
4: Portal Demonstration
5: CES Update
6: Q&A/Roundtable/Conclusion

Note: For detailed information on the agenda items, please see the PDF presentation material.

Summary:
<ul style="list-style-type: none"> • Welcome and Thank You: Mr. Leahy thanked the TCPs for their time and commitment, following a full day of workshops the previous day. TCPs wished a happy retirement to Janice McBride and thanked her for her years of effort and commitment. • Project Updates: Mr. Leahy shared that the President continues to be briefed weekly on 1) Solution Readiness, 2) Operational Readiness, and 3) TCP Engagement. There are changes to Deep Cycle Testing and portal onboarding being made, including removing the 180 days of inactivity limit. • WG Membership: CBSA will be re-evaluating membership to the TCP WG. If others are interested in joining, please let CBSA know. Proper representation is important along with maintaining the right size of the group to enable good discussion. • CSA and CLVS: The CBSA is finalizing letters to send to CSA importers regarding the selection of which accounting and billing schedules they will choose to follow with CARM. More clarification will come regarding Importer of Record decisions. This will be addressed as a future Working Group agenda item. • Portal Onboarding Updates: Ms. Whittaker shared that TCP portal accounts will no longer be suspended after 180 days of inactivity. The CBSA is also exploring modifications to the affinity questions to make it easier for TCPs to onboard to the portal. The CCSH is currently estimating it takes TCPs ~30-40 minutes per client to register, with the assistance of CCSH. TCPs agree that this is what their clients are experiencing. • Rulings Update: The CBSA has received TCP questions related to rulings. CBSA is working through these questions, working with project authorities where applicable, and will share updates once available. Mr. Fiorantis shared an outstanding question regarding the Customs Act Section 10.1. Mr. Melchers will provide an answer via email. • Books and Records: Mr. Melchers explained that policy surrounding books and records, licenses, and regulations will <i>not</i> change due to CARM. TCPs will continue to maintain books and records outside of CARM, similar to the process with eManifest. • TCP Readiness Update: Ms. Campbell and others raised the following concerns: <ul style="list-style-type: none"> ○ Deactivation of the 180 days inactivity portal limit was not communicated to TCPs. Mr. Leahy shared that the deactivation of this feature was not shared as this was related to security. ○ Differences between the Deep Cycle Testing Portal and live production Portal, noting the CCSH bulletin does not include dates. Ms. Whittaker said that it is intentional that the portals are different, as the current live portal is the R1 version, and the DCT portal is the R2 pre-production portal. Ms. Whittaker committed to adding dates to the CCSH bulletins for clarity. ○ ARL differentiation between unallocated and miscellaneous. Mr. Sina Ba said that this will be resolved on a case-by-case basis. ○ Ms. Bedard has shared several TCP issues to the CARM Engagement Mailbox. The CARM Stakeholder Engagement Team will coordinate and return answers. ○ Ms. Campbell requested learnings from Deep Cycle Testing and how they will impact the future of CARM be shared with the group. CARM Team to discuss DCT learnings at a future meeting. • RPP Update: Mr. Fecteau provided an update on RPP at R2. A draft of the RPP Transition Plan will be shared for consultation with industry at a future Working Group meeting. Mr. Fecteau to confirm the appropriate terminology for “cash bond” (e.g., cash security, cash deposit, etc.). • Surety Bonds: TCPs raised questions around the security bond process and the role of the surety/financial security institution. Ms. Batalla asked about financial security alternatives such as Letters of Credit and Bank Guarantees and whether these instruments can be incorporated through the cash security channel. CBSA noted that electronic Letters of Credit are not legally enforceable. Surety Association of Canada (SAC) presented an overview of surety bonds. TCPs reiterated that the choice for financial security will be up to importers – they should have access to all options to make the business decision that is best for them. Ms. Campbell asked if CBSA will also invite other financial institutions to also make a similar presentation, and Mr. Horseman agreed that the offer will be made to the Canadian Bankers Association. Some TCPs have been instructing their clients to prepare for the bond now and SAC agreed they recommend importers get the process started now. • Portal Demo: Ms. Chau provided a demonstration of the adjustment and reporting functionalities on the CARM Client Portal. Questions were answered during the session and unanswered questions were noted for future demos. • CES (CARM Experience Simulation) Update: Material on CES was shared in the deck. However, there was not sufficient time to cover it at this WG session. Presentation material to be covered at future meeting. TCPs want clear timelines and to better understand when and how they can participate. CBSA asks TCPs to send scenarios to the CARM engagement mailbox for consideration to include. • Future Agenda: Ms. Foster requested a walkthrough of how commercial charges and AMPS payments will work for Express Carriers.

<p>Action Items:</p> <ul style="list-style-type: none"> • Delegation of Authority: Mr. Melchers, Ms. Laflamme, Mr. Fiorantis, and Ms. Bedard will have a discussion on Delegation of Authority in the portal for SIMA. • Record Keeping: Mr. Melchers will clarify in writing that books and records, and licenses and regulations will not change due to CARM. • Importer of Record: This will be added as a future Working Group agenda item. • Portal Onboarding: Ms. Whittaker will add dates to the CSH portal bulletins for clarity. • RPP: Mr. Fecteau to confirm the appropriate terminology for “cash bond” (e.g., cash security, cash deposit, etc.). • CES: Material to be presented at a future session. • Portal Demonstration: CBSA will address adjustments and reporting questions from TCPs separately. • TCP Questions: Mr. Fiorantis to send outstanding question regarding the Customs Act Section 10.1 via email to Mr. Melchers for a reply. CARM Stakeholder Engagement Team to coordinate and return answers to Ms. Bedard’s email of TCP concerns. • Deep Cycle Testing: Ms. Campbell requested learnings from Deep Cycle Testing and how they will impact the future of CARM be shared with the group. CARM Team to provide this update at a future meeting.

<p>Appendix:</p> <p>Questions noted during the Portal Demonstration which will be added to the Technical Q&A Log and incorporated into a future demo.</p> <p>Adjustments questions</p> <ol style="list-style-type: none"> 1. Ms. Sider: assumption on the adjustment re tariff that the user has knowledge and expertise in determining tariff. Where are the legal and/or explanatory notes to review in tandem with selecting the proper HS? 2. Ms. Billinger: Do mass adjustments only work for one line entries, not multiple lines where some lines won't require a change? 3. Mr. Fiorantis: How are mass adjustment transactions reconciled against drawbacks (specifically if a transaction has been subject to a drawback approval and then selected for a mass adjustment)? Is there a way to flag or identify a transaction as part of a previous drawback submission? 4. Mr. Fiorantis: What happens if a second adjustment is required against a transaction involved in a mass adjustment case number? Are these transactions frozen from further adjustments until the case number is approved/denied by CBSA? 5. Ms. Corfield: Will the data fields be cleaned up to show more detail for fields (i.e. commodity description) that may require additional space and reduced for fields like account date? 6. Ms. Bedard: Is it the whole transaction that will be locked or only the line? 7. Mr. Jasiewicz: Can we have scenario that can be done in the portal vs. only via EDI? 8. Ms. Campbell: Is a ‘what can be done on the portal and what can not’ list be put in writing somewhere? 9. Mr. Özberk: Will templates be available for download for mass adjustment upload? 10. Ms. Valtas asked if the drawback review period will be shorter to free the CAD for other adjustments and rose concerns about the drawbacks with the current process taking 3+ months. Mr. Fiorantis asked for a side discussion on this, and Mr. Melchers requested for Mr. Fiorantis or Ms. Valtas to email him (Charles.Melchers@cbsa-asfc.gc.ca) and explain the business reality around this (B2 Adjustments and Drawbacks). <p>Reporting questions</p> <ol style="list-style-type: none"> 1. Ms. Price: How can I get a compliance audit report for CAD? 2. Ms. Bedard: Does vendor name have to be an exact match? 3. Ms. Campbell: Reports need to have a manual intervention from CBSA? Ms. Muller: Why is CBSA intervention required? 4. Ms. Billinger: If we have to rely on an officer to run the report, we're in big trouble with cycle times. 5. Mr. Özberk: Which fields indicate the filer or BAM? 6. Ms. Corfield: Would we be able to run an API query for the CAD types & date ranges and if so, when would this functionality be available? 7. Mr. Özberk: We need the ability to differentiate between which party created the CAD, which party made a correction, and which party made an adjustment for compliance. 8. Mr. Jasiewicz: If we have multiple vendors on a transaction, will the report display both, even if we filtered for vendor 1? 9. Mr. Jasiewicz: How long take will it take to get the report generated for download? 10. Mr. Özberk: Who else would see the report request? CBSA only or a third party as well?
