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Trade Chain Partner Working Group (TCP WG)

DRAFT – FOR DISCUSSION PURPOSES ONLY

January 26, 2022

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CARM | CBSA Assessment and
Revenue Management

Teleconference Technical Guidelines

- Join the WebEx information from the invitation, upon joining the meeting the call in details (phone number, meeting ID and access ID) will be provided.
- You will be muted upon joining the meeting, to join the conversation press the unmute button at the bottom-middle of your WebEx screen.
- If you are only calling in, please mute your phone by pressing *6 and unmute your phone press *7 to join the discussion. Once you are finished speaking, please mute your phone again by pressing *6.



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Announcement: New Director General, CARM Mike Leahy

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Agenda

Topic	Speaker and Support	Timing
Technical Rules of Engagement	Kevin Horseman	9:00AM - 9:05AM
Announcement of New Director General	Fred Gaspar	9:05AM - 9:10AM
Opening Remarks / CARM Project Updates	Mike Leahy	9:10AM – 9:55AM
TCP Readiness Update	Kim Campbell	9:55AM - 10:25AM
Break		10:25AM – 10:40AM
Custom Bonded Warehouse Update	Jason Porteous / Vladimir Omazic	10:40AM - 11:10AM
Cloud Security	Christian Figueredo / Andrew Jeffries	11:10AM - 12:00PM
TCP Survey and Change Impact Workshops	Kevin Horseman	12:00PM – 12:20PM
TCP Portal Onboarding Update	Kevin Horseman	12:20PM - 12:30PM
Q&A / Roundtable	All	12:30PM - 12:55PM
Conclusion	Mike Leahy	12:55PM - 1:00PM



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Opening Remarks / CARM Project Updates

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Opening Remarks / CARM Project Updates

- Release 2 timing
- Client Experience Simulation (CES)
- Financial Security discussions
- CSA and CLVS Working Group Meetings

Follow Up Items From Recent Meetings

- CCSH Issues and Resolutions information
- Printable CAD update
- Rulings Issue follow up
- Cloud Security discussion
- ARL Clean Up status reporting



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TCP Readiness Update

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Trade Chain Partners - State of Readiness

Industry TCP's - January 26, 2022

R1 – May 25, 2021

- Status update to include uptake numbers, onboarding challenges (i.e. notifications not working). **Standing request. Validate current dashboards are sufficient. Can we add number of bonds/financial security.**
- Rulings module visibility issue. Brokers/consultants losing access/visibility to original submissions and subsequent decisions of CBSA. **Request confirmation.**
 - *Current State: Party Filing Ruling Submission and Importer obtain a copy of the Ruling Decision*
 - *CARM State: CBSA confirmed this process will remain unchanged under CARM*
- Status update of ARL clean up. TCP feedback on current process.

Technical Support – June 23, 2021

- Need a complete and accurate ECCRD. **Still not complete.** Expectation that industry TCP's are supposed to triage multiple spreadsheets and updates not incorporated into the ECCRD is not acceptable. **Can not develop corrections and adjustments. CBSA Update**
- Inaccurate use cases in the ECCRD. Have been identified and need to be corrected.
- We do not consider the clock started for sufficient lead time for implementation with an unfinished ECCRD. CSA importers significantly impacted and will not meet the May 2022 Go Live because was not provided in time.
- Review of testing plan. Testing is supposed to start August/September 2021 ***New – Requesting Status Update**
- **CARM** | CBSA Assessment and Revenue Management Mass adjustments – need detailed information and focused attention from CBSA. *** New**
- What version of ECCRD is out and plans for revisions. **Level setting or TCP group.**

Trade Chain Partners - State of Readiness

Industry TCP's - January 26, 2022

Operational Workflow – **Work in Progress – New Additions**

- Walkthrough of real-world scenarios. This has been requested since 2011. Need to prioritize for completion as impacts solutioning and TCP understanding of end state.
- A few scenarios presented to date. ***Has been some progress.***
- We will be scheduling meetings over the next couple of months with specific topics/scenarios and request that a CBSA Subject Matter Expert(s) participate. External consultants are welcome to participate as observers. ***In Progress.***
- Need for a play book or detailed sections in the ECCRD for the CCP (CARM Client Portal). For example: file size and type, how does a file uploaded link to a specific transaction? ****New***
- Provide option for carrier/broker to submit line item details with transmission to eliminate need to provide subset recap. How is the subset recap submitted? ****New***
- Status update for Temporary Imports (registered Trade Shows). ****New***

Trade Chain Partners - State of Readiness

Industry TCP's - January 26, 2022

- **RPP (Release Prior to Payment Privilege) – Outstanding Issue**
 - What is the plan for R2? **Ongoing – Requesting Update*
 - Basic processes overview. Does Surety need access to portal from a CBSA perspective? Importer do not believe this should be a requirement and want to manage on their own.
 - How will bond/financial security information be loaded in the portal and by whom. If a bond, importers want to load their own information and not have to provide delegation of authority to other parties to access their proprietary information.
- **Regulatory Package – Outstanding Issue**
 - Respecting “Cabinet Confidence” need to have visibility and understanding of the main components of these changes including timelines. *Is there are way forward to share?*
- **Data Matrix/CAD – Still Pending – In discussion to plan session.**
 - Need comprehensive review of data elements.
 - CAD not feasible as presented. *Is there an update on potential revision?*
 - WCO data elements – level set understanding.
- **CBSA Coordination – Ongoing Challenge**
 - Need to ensure not overlapping of meetings with other CBSA meetings and events.
 - Need to ensure not competing large scale projects at the same time.

Trade Chain Partners - State of Readiness

Industry TCP's - January 26, 2022

- **Emerging Go Live Issues – In Progress**
 - Payment – *CBSA has reached out to TCP's and we owe information and time to discuss.*
 - API Limitations (Exchange Rate and Tariff) – When can access, limitation on returns and queries.
- **Additional Items Raised by TCP Members**
 - Has the Minister of Public Safety been briefed on the CARM project and revised implementation strategy?



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Break

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Customs Bonded Warehouse Conversions

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Today's Agenda

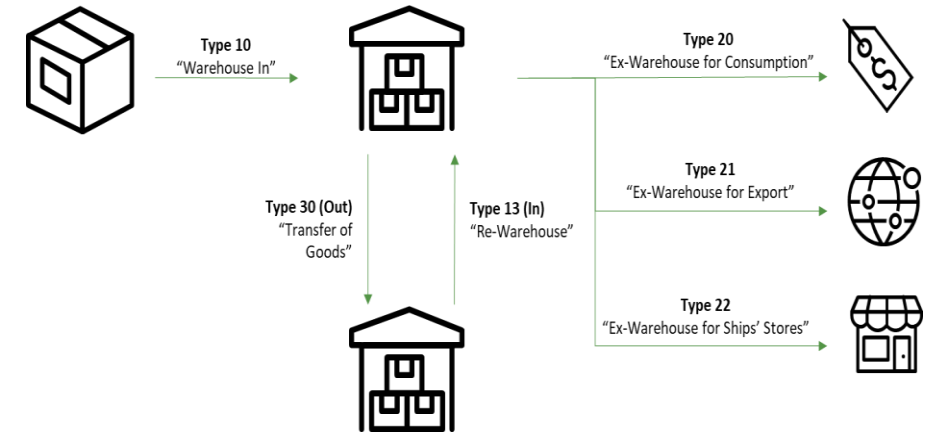
- Objective
- Recap CARM Customs Bonded Warehouse (CBW) Submission
- CARM CBW Conversion Activities
- Inventory Conversion Process Overview
- CBW CAD Conversion Transactions Details
- Next Steps
- Question & Answer

Objective

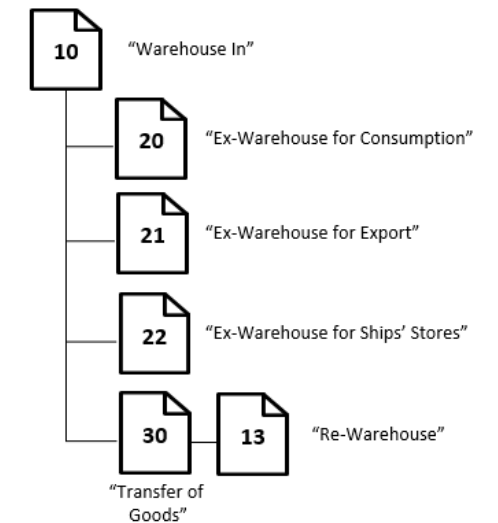
- To provide TCP community with an overview of CBW conversion activities required to support the requirements of the CBSA Program Area and CARM solution
- Further socialize the approach and process to establish accurate CBW inventory balance at R2 Go Live

CARM CBW Submissions Recap

- All CBW movements are facilitated through the CAD using the same document types currently in use
 - Each submission requires a Subtype Codes to support reporting requirements and system validations
- When imported goods first enter the CBW, the submission and acceptance of a Type 10 “Warehouse In” CAD is required
- Subsequent goods movements require a new CAD submission with the applicable type code
- Each subsequent transaction and commodity line must be linked to the previous transaction and line to facilitate accurate tracking of goods movements reporting requirements of the Program Area
- Before the submission or correction of any CBW CAD is accepted by CARM, the system will **confirm that there is a sufficient quantity available prior to processing the request**



Declaration Link Illustration





CARM CBW Conversions

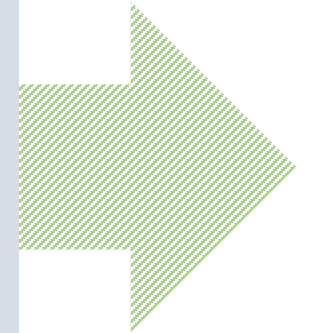
There are two key conversion topics that require CBW operators to provide information to the CBSA prior to R2 Go Live to facilitate CBW submission in CARM

CBW Inventory Balance

- An accurate account of goods physically within CBW facilities is required at CARM Go Live to support subsequent good movements out of or between CBW
- Historical data from CCS cannot be used to obtain all information required in CARM.

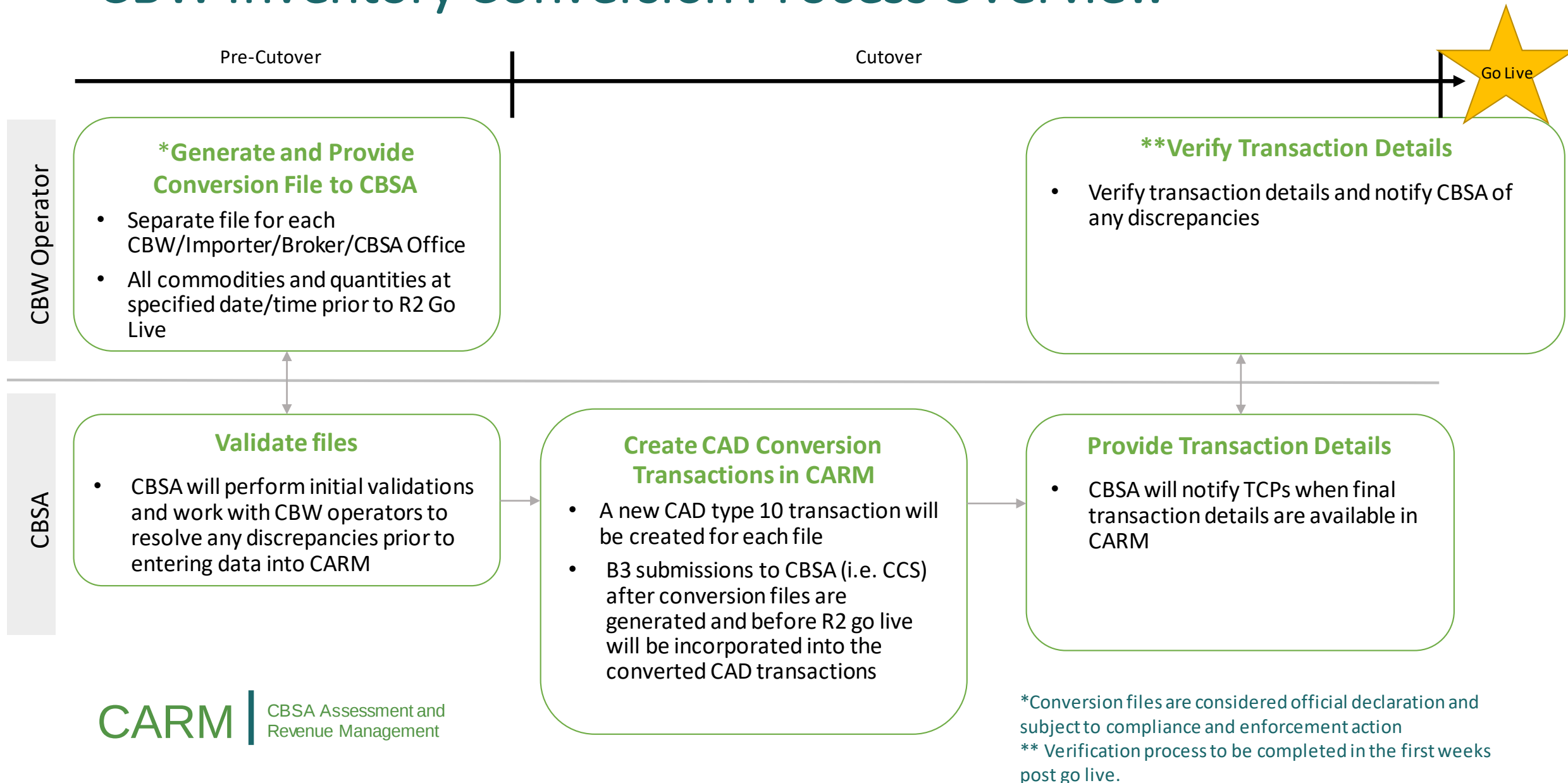
CBW Financial Security Bond

- Accurate account of Financial Security bond information for each CBW is required in CARM to support CBW program requirements
- Historical records from CBSA legacy applications can not be used to obtain all information required in CARM



Today's session will focus on Inventory conversion

CBW Inventory Conversion Process Overview



Overview of CBW CAD Conversion Transactions Details

- A new CAD 10 transaction is created for each warehouse/importer/broker/CBSA office including all commodities details provided on the conversion files
 - CBSA assigned transaction number as part of the conversion process
- Default values are assigned to the converted transactions in an effort to simplify the process
 - Commodities consolidated on single Invoice Line
 - All transactions are in Canadian currency
 - CBW CAD Time Limits based on Go Live date
 - ❖ **TCPs are still expected to respect original legislated time limits**
 - GST applicable to all commodities
 - Weight and Freight Charge = 0
 - SIMA/Surtax/Safeguard are deemed non subject
 - Special authorities are not included in conversion transactions
- Subsequent consumption or export (i.e. 20-22) transactions require actual values
 - Examples: OIC/DRL/SIMA/Surtax/Safeguard

CADs Conversion Transactions - Default Values

- Default values are assigned by the CARM conversion solution for the following fields:

CAD Header

Field Name	Value
Cargo Control No	Cargo Control No
Warehouse Subtype	10-1
Date of Direct Ship	Creation date - 1
Mode of Transport	01 – AIR
Carrier Code	CONV
Gross Weight in Kg	0
Freight Charges	0\$

Invoice/Line

Field Name	Value
Invoice No	CBW- CONVERSION- 12345
Invoice Line No	1
Vendor Name	Conversion CBW
Vendor Address	Ottawa
Currency	CAD
U.S. Port of Exit	1001 when place of export is US

Commodity

Field Name	Value
Date of Direct Shipment	Creation date - 1
SIMA Subject	N
Surtax Subject	N
Safeguard Subject	N
GST Code	01 Standard

CADs Conversion Transactions - CBW Provided Values

- Values are assigned based on the information provided in the conversion files by CBW operators:

CAD Header	Invoice/Line	Commodity
❖ Importer Business No. (BN15) • Broker/Agent Business No. (BN15) ❖ CBSA Office ❖ Warehouse In	Default Values	❖ Classification No. ❖ Narrative Description ❖ Quantity ❖ Unit of Measure ❖ Country of Origin • U.S. State ❖ Place of Export • Place of Export Code State ❖ Tariff Treatment Code ❖ Time Limit Type ❖ Value Currency Conversion (CAD) ❖ Value for Duty Code • Excise Tax Code • Alcohol Percent

❖ = mandatory inputs

CBW Transactions Post Go Live

- Subsequent transactions associated with shipments that occurred prior to Go Live must be submitted against the converted type 10 CAD transaction and line
 - Any correction to converted type 10 CADs will be permitted by policy for a specified period.
 - Corrections resulting from shipment shortages that occur after the permitted period follow the standard correction process (i.e. a new CAD type 10 submission, using sub type 10-2)
- New “Warehouse In” shipments that occur after Go Live follow the standard CBW submission process (i.e. new CAD type 10 submission)

Next Steps

- CBSA will be issuing Customs Notices to further communicate program requirements in preparation of CARM go live
- CARM Engagement Team will be scheduling additional detail sessions with CBW Operators and TCPs

Questions?



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Cloud Security

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GC “Cloud-First” Adoption Strategy

- In 2018, the Treasury Board Secretariat (TBS) released the Government of Canada (GC) Cloud Adoption Strategy prescribing that, going forward, Cloud computing be considered as the preferred option for delivery of Information Technology (IT) services and solutions.
- As a result, the CARM project conducted a fulsome analysis of its infrastructure hosting requirements and concluded in late 2018 that a move to the Cloud was the best available option due primarily to the following:
 - A Cloud-based solution would allow CARM to adopt and leverage the latest technologies provided by the Cloud Service Provider (CSP); and
 - A Cloud-based solution would provide a more flexible and sustainable model for hosting the IT infrastructure and software required for the CARM solution.

Lines of Defense to Secure CARM Data in the Cloud

With the implementation of CARM Release 0 and Release 1 in the Cloud, a full suite of security safeguards and controls have been implemented and are continuously monitored for the CARM solution, including:

1. The chosen CSP Amazon Web Services (AWS) has been vetted by the Canadian Centre for Cyber Security (CCCS) to ensure that the AWS platform security processes and controls meet GC public Cloud security requirements for Protected B information.
2. The Secure Cloud Enablement and Defence (SCED) service, operated by Shared Services Canada (SSC), has been integrated into the CARM solution in order to secure cloud network communications with:
 - i. the public internet; and
 - ii. GC infrastructure on the ground.

Lines of Defense (continued)

3. Additional GC Cloud “guardrails” and security services have been implemented on top of the AWS Cloud platform to further strengthen the safeguarding of CARM’s Protected B level data in the Cloud environment.
4. The entire CARM solution for both Releases 0 and 1 has been assessed in a highly detailed manner by CBSA’s Cyber Security experts, in accordance with the methodology set out by the Treasury Board Secretariat (TBS) and the CCCS to ensure that appropriate Cloud-based security controls have been implemented and the CARM software and data are protected properly.
5. A Privacy Impact Assessment (PIA) has been submitted to the GC Office of the Privacy Commissioner for CARM Releases 0 and 1.
6. A 24x7x365 security monitoring operation has been implemented to oversee and manage all components of the CARM solution.

Potential TCP questions or concerns

Q1. How is CARM ensuring that sensitive TCP data is being protected in the Cloud?

- All data is classified by sensitivity level. Additional security controls are applied to protect data that is more sensitive.
- All data is encrypted in transit and storage. Encryption is enforced using industry-standard and government-approved cryptographic modules and algorithms.

Potential TCP questions or concerns (continued)

Q2. How is CARM ensuring TCP data is protected against cyber attacks, ransomware, etc.?

- Built-in AWS network security with additional GC Secure Cloud Enablement and Defence (SCED) front-end protects CARM against cyber attacks.
- Multiple layers of firewalls implemented to thwart attackers.
- Intrusion detection and prevention measures deployed to detect and stop attackers.
- Continuous scans run to find vulnerabilities before they can be exploited.
- Integrity monitoring tools to detect unauthorized changes by attackers.
- Anti-malware detection and remediation.
- Continuous monitoring and management of all CARM assets and data.
- 24x7x365 incident management and response.

Potential TCP questions or concerns (continued)

Q3. How is CARM ensuring that competitive TCP data is not accessed by CARM vendors without authorization?

- Vendor access is managed on a need-to-know basis and controlled by identity and access management controls.
- All personnel who have access to CARM assets and data have been subject to background checks and been granted appropriate GC and CBSA security clearances.
- Role-based access control to restrict access to only certain approved functions and data.
- Users are provided the minimum privileges to perform their job duties.
- User activity logging and monitoring with a wide variety of alerts enabled to notify of any bad behaviours by insiders or outsiders.
- User audit to determine who accessed what functions and data as input to any required security investigation.

Potential TCP questions or concerns (continued)

Q4. How can we trust AWS as the CSP for the CARM solution?

- CCCS has assessed the AWS platform on behalf of the GC to ensure that the platform meets the GC's public cloud requirements for information and services up to Protected B, Medium Integrity, Medium Availability (PBMM). Since the original evaluation of AWS, CCCS has performed re-evaluations and will continue while the GC is using AWS to host its data.
- AWS implements and maintains technical security measures applicable to their cloud infrastructure services under globally recognized security assurance frameworks and certifications, which are validated by independent 3rd party assessors and are designed to prevent unauthorized access to or disclosure of content.
- CARM data stored in the AWS cloud is encrypted, with encryption keys owned by the GC. Data is not visible to AWS. Vendor access is managed on a need-to-know basis and controlled by identity and access management controls. All access to data is logged and monitored by the GC.

Potential TCP questions or concerns (continued)

Q5. How is CARM mitigating the fact that AWS is a competitor in the importer space while also hosting the CARM infrastructure?

- AWS is certified compliant by industry standards which require robust proof on an ongoing basis that key security specific functions such as access controls, segregation of duties, etc. are maintained. AWS would not be certified if they had any ability to arbitrarily browse customer data.
- CCCS completed a security assessment of AWS that examined all available evidence to satisfy the security controls necessary to provide an adequate level of assurance for storing Protected B level GC data on AWS infrastructure.
- A shared responsibility model has been implemented:
 - AWS protects the underlying cloud infrastructure.
 - CBSA and its Managed Service Provider layer in additional security controls above and beyond the infrastructure layer to protect Cloud-deployed assets and data.
- The CARM solution was fully assessed by CBSA Cyber Security and authorized by CBSA Senior Leadership.

Additional Questions and Answers

Open Discussion



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TCP Survey and Change Impact Workshop Discussion

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Learning from our last TCP survey

Our last TCP survey was sent to all Trade Chain Partners on the CARM distribution list to determine levels of CARM understanding and communication preferences.

Survey
Respondent
Breakdown

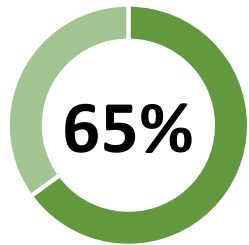
283 Trade Chain Partners
responded to the survey

154 Customs Brokers

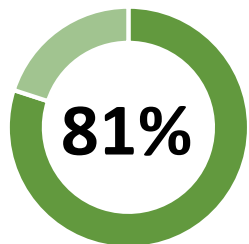
97 Importers

32 Other TCPs

Current Understanding of CARM:



Understand the objectives and
benefits of the CARM project



Have communicated upcoming CARM
changes within their organizations

70%
use the CARM CBSA website
to acquire information
today

82%
have participated in a CARM
Event (e.g., Webinar)
to-date

Communication Preferences:



80% prefer email



77% prefer CARM
Website



77% prefer Webinars

Future Needs:

70%
want more communications on
CARM Timelines

43%
felt neutral or disagreed with
knowing what is expected of them
to be ready for CARM

93%
want information and demos on
functionality of the portal

Actions taken from the last survey

Based on survey results, improvements have focused on pairing down communication channels and targeting information

1. Discontinued the use of **GCCollab** to focus on the **Google Drive** and the **CARM Client Portal**
2. Held recurring **CARM portal onboarding webinars** to share onboarding information and dive deeper into details
3. Using **website** updates and **email** messages (including TCP newsletter) as primary communication tools
4. Heightened focus on **Technical Working Group** sessions to provide technical information and a channel for TCP feedback
5. Developed plan to broaden engagement with small and medium enterprise (SME) importers (e.g., upcoming CFIB webinar, handouts at POEs)

What advice do you have for our next TCP survey?

Demographic		Information & Communication	
1	What type of Trade Chain Partner organization do you work in?	6	How often do you visit the CARM page on the CBSA website?
2	As an importer, is your organization currently using a customs broker?	7	How often do you visit the CARM Google Drive?
3	What is the approximate size of your organization (number of employees)?	8	How often do you visit the CARM LinkedIn page?
4	Is your organization part of a professional association? (If answer to 4a is "Yes", then they are asked to provide the name of the association) Please provide the name of the association(s) for which your organization is an active member.	9	Have you participated in a CARM event (webinar/ information session/ presentation)?
5	How are you receiving information about CARM?	10	What types of CARM communications have you received?
Understanding		11	What are your preferred channels to receive or access information on CARM?
14	I understand why CBSA has undertaken the CARM Transformation	12	What topics would you like to see in our CARM communications?
15	I am clear on the CARM project timelines	13	Has information about the CARM project, such as upcoming changes for your organization, been communicated within your organization?
16	I understand the objectives and benefits of the CARM project	Conclusion	
17	I understand what I need to do to be ready for CARM	18	Are there any comments, questions, or other information that you would like to share with the CARM project team?

Release 2 Change Impact Validation Workshops



CARM Engagement will be hosting several **validation workshops** to discuss Release 2 **changes and impacts** for TCPs. Each workshop will focus on a separate TCP community and will be ~2 hours in length.



The validated impacts will help to inform **education products, communications, and stakeholder engagement** plans to prepare for CARM Release 2.



If you would like to **volunteer to participate** in these workshops, please email CARM Engagement at CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca. Participants will be randomly selected from those who volunteer.



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TCP Portal Onboarding Update

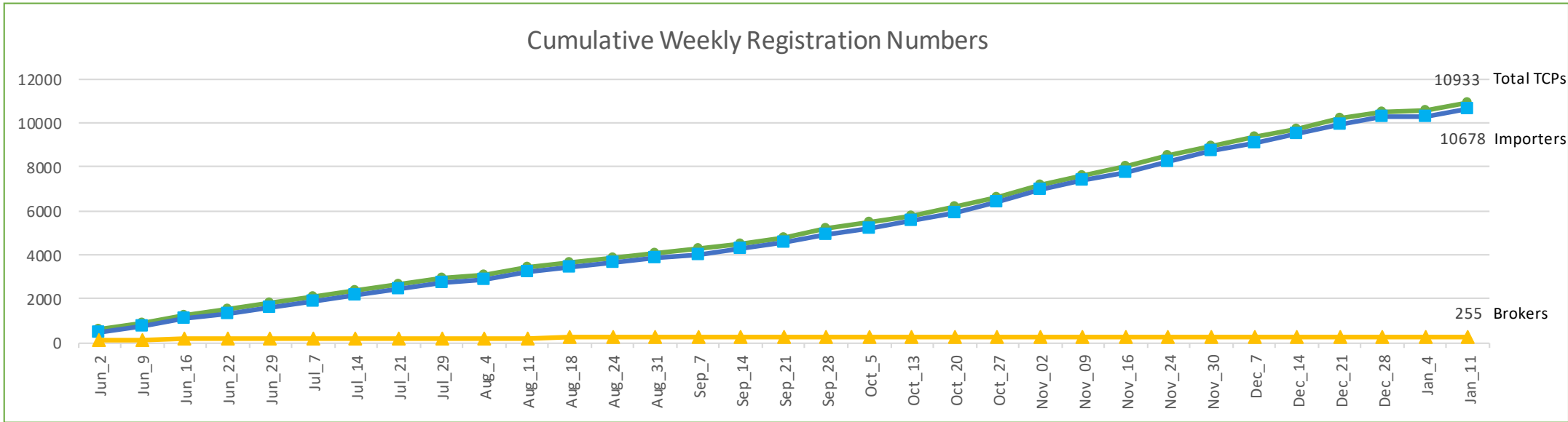
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Trade Chain Partner Portal Onboarding Status

10,933 TCPs have registered on the portal as of January 12, 2022



Registration Numbers								
		Last 2 Weeks (December 29 to January 11)	Prior 2 Weeks (December 15 to December 28)	Month over Month				YTD
				October	November	December	January	
All TCPs		411	810	1690	1968	1565	411	10933
Brokers	All Brokers	2	0	8	3	1	2	255
	Top 30 Brokers (value)	N/A	N/A	N/A	N/A	N/A	N/A	30
Importers	All Importers	409	810	1682	1965	1564	409	10678
	Top 3000 Importers (value)	19	47	154	178	71	19	1157
	CSA Importers	0	1	3	1	2	0	76

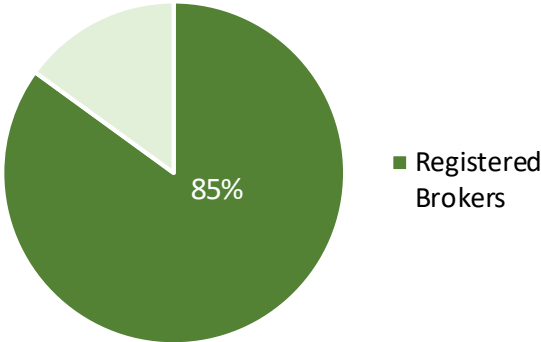
Notes: Year-to-date registration total include registrations beginning from May 25, 2021.

Updated January 12, 2022

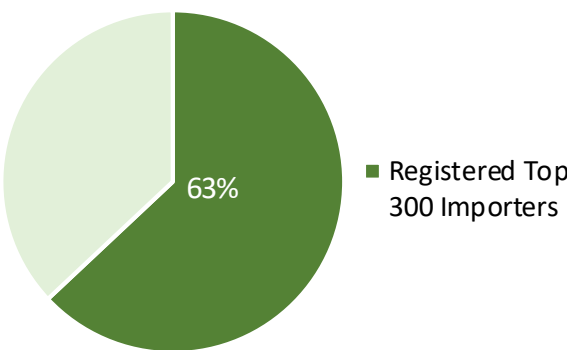
Trade Chain Partner Portal Onboarding Status

Importer registration anticipated to continually grow as CARM onboarding webinars continue in 2022

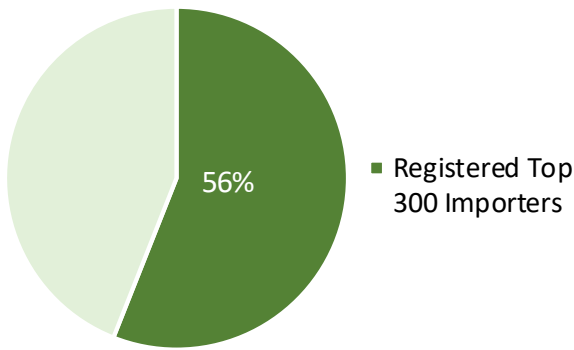
Total Broker Registration



Top 300 Importers (by volume)



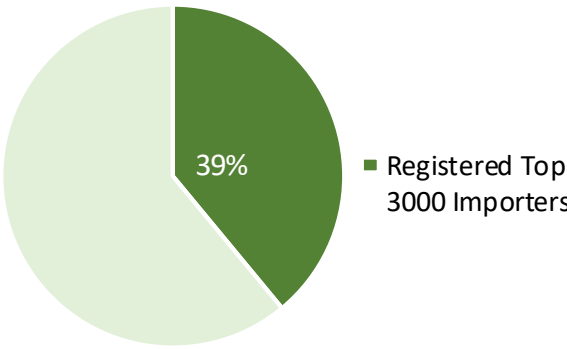
Top 300 Importers (by value)



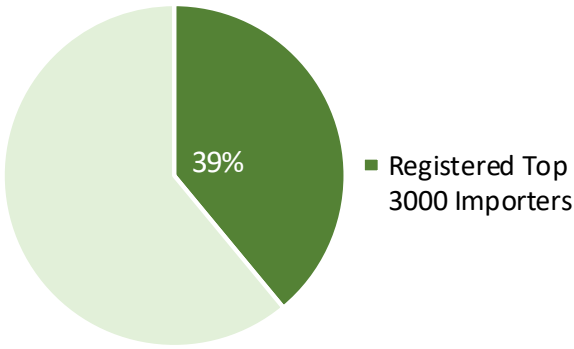
Highlights

- Brokers continue to be strong advocates for importer registration.
- Importer registration expected to grow with increased engagement levels (engagement to include new registration posters and new series of monthly CARM Onboarding webinars).

Top 3000 Importers (by volume)



Top 3000 Importers (by value)



Updated January 12, 2022

Key Notes and Assumptions:

- Top 30 Brokers (by value) make up > 80% of Total Broker Accounts Receivable (A/R) Value. Top 3000 Importers (value) make up > 80% of Total Importer A/R.
- Top 30 Brokers make up > 80% of Total Broker Volume and Top 3000 Importers make up 79% of Total Importer Volume.

CARM Client Portal Onboarding Key Takeaways

- We achieved our initial target of 10,000 TCPs onboarded to the CARM Client Portal by the end of December 2021. Thank you for your support in promoting portal onboarding!
- We continue to see a relatively **high uptake among larger importers** with almost two-thirds of the Top 300 Importers (by volume) and 40% of the Top 3000 Importers (by volume) registered to date.
- CARM and CBSA Business Leads are working together to define milestone targets leading up to Release 2 Go-Live.



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Q&A Period/Roundtable

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Conclusion

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Thank You!

For more information:

- Visit the [CARM section of the CBSA website](#)
- Visit the [CARM Client Portal](#)
- Visit the [CARM Google Drive](#) for resources
- Join the [CARM LinkedIn Group](#) for the latest news
- Questions? Email: CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca
- Join the email distribution list by emailing CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca