



CARM Trade Chain Partner Working Group – Record of Discussion

May 25, 2022, 9:00am to 12:00pm – 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	Ted Gallivan Executive Vice President
Susan Foster FedEx / Canadian Express Association	Shannon Sommerauer CPMA	Fred Gaspar Vice President, Commercial and Trade Branch
Bruce Rodgers CIIFFA	Kristy Mulvihill Jayson Ryan Kim Duquette Costco Wholesale Canada Ltd	Mike Leahy Director General, CARM
Penny Moulton UPS	Laurie Pasher Livingston International	Stephanie Drouin Executive Director, Change Enablement
Ray Fischer KPMG	Jasmine Batalla Canadian Bankers Association	Doug Band Director General, Trade and Anti-Dumping Programs Directorate
Oryst Dydynsky Descartes / AICBA / CTA	CBSA Guests	Charles Melchers Director, Regulatory Trade Programs
Anabela Bekic Tomasz Jasniewics Descartes	Kevin Horseman Stakeholder Engagement, CARM	Sarah Williams Director, PMO
Candace Sider Livingston	Andrew Wishart Louise Upton Project Executive, CARM	Valery Sina Ba Director, Revenue and Accounting, FCMB
Kristina Bryson Billinger IBM Canada	Carola Daffner Solution Delivery, CARM	Alex Lawton Director, Trade Compliance
Karin Muller Magna	Brennan Badgley Solution Design, CARM	Kerri-Anne Whittaker A/Director, Business Readiness, CARM
Kim Campbell Debbie Price IE Canada	Jonathan Hopkins Business Transformation, CARM	Vladimir Omazic Ramona Eryuzlu-Maillet Stakeholder Engagement, CARM
Vikram Patel Global eTrade Services	Megan Wambolt Stakeholder Engagement, CARM	Suhas Deshpande Senior Analyst, Trade and Anti-dumping
Cherie Storms (Absent) Gloria Terhaar Carol Brown Pacific Customs Brokers	Sarah Fogh Stakeholder Engagement, CARM	Kim Paradis Senior Advisor, Commercial Programs
Erol Ozberk Loblaw Company Limited	Jason Porteous Solution Design, CARM	Kerri Schleppe Manager, CARM PMO / CES
Emil Fiorantis Dominion Group	Andrew McGrath Solution Design, CARM	Brenda Campbell Manager, Regional Programs / CES
Margaret Valtas Walmart	Vicky Chau Solution Design, CARM	Eric Trudel Manager, Stakeholder Engagement, CARM
Renate Jalbert Shannon Munson June Corfield Susan Rasmussen FedEx	Lisa Hartwig Solution Design, CARM	Christian Figueredo Director, CARM Solution Delivery
Sharon Clark-Koufis Steve Ness Surety Association of Canada		Andre Bertrand Bryan Sherman Business Readiness, CARM
Rachel Ng CFIB		Kelsey Munroe A/Manager Program Authority
Jennifer Steeves CVMA		Janine Harker Director, Commercial and Trade Policy
Alan Dewar GHY International		Cindy Fox Senior Project Officer
		Bradley Jablonski Manager, Customs Bonded Warehouse

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

Agenda:
1: Opening Remarks
2: CARM Project Updates
3: Industry Consultation
4: Portal Demonstration
5: 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, and introduced Ted Gallivan. • Ted Gallivan Remarks: Mr. Gallivan thanked TCPs for their time and commitment, and acknowledged challenges faced by COVID, supply chain issues, and inflation. Mr. Gallivan shared that new timelines for Release 2 are being proposed. The recommendation will be reviewed by the Treasury Board in the coming months. <u>There are two dates being looked at for the CARM Release 2 go-live date: May 2023 and October 2023. When a date is approved, it will be shared with this group and the broader TCP community.</u> • Louise Upton's Remarks: Ms. Upton affirmed Deloitte's commitment to this program and continuing to listen to TCPs' areas of concerns and recommendations. • Statement of Account (SOA) Performance Issues: Industry raised a concern over performance issues with SOA date that could be problematic with larger volumes. • Deep Cycle Testing (DCT): Mr. Ozberk questioned leaving a testing phase when there are still unresolved issues. Industry shared that we are not at 85-90% success rate on test case scenarios. Mr. Leahy suggested pausing deep cycle testing and refreshing the environment to allow TCPs to test in an environment that is closer to the live environment. Industry recommended against a long pause. A decision will be made on next steps for DCT collectively. • Duties and Taxes: Industry is concerned that there are inaccuracies in how the duties and taxes are being calculated. Mr. Leahy agreed that this needs to be looked at. • CARM Experience Simulation (CES): Industry asked for a clear plan and scenarios for CES. Industry would like information on the IT effort that is required. Mr. Leahy acknowledged the need to make/note assumptions and the importance of engaging Industry to discuss assumptions. The CES is meant to be an unscripted environment that has clear expectations and provides a good experience for users. • ECCRD: Mr. Ozberk is interested in a live (kept up to date) ECCRD for TCPs that are not DCT participants. The ECCRD is the only document for working on their system and is critical for Industry. • Technical Calls: Ms. Campbell requested more CARM resources to attend the Technical Working Group sessions to answer questions in the call and reduce the number of questions that are taken back from the call. • Technical Q&A Log: There was discussion on the long turnaround time for some questions. Mr. Band spoke to the challenges of managing the Q&A Log that has grown into more than a thousand questions today. He emphasized the need to triage and prioritize questions, both by TCPs as they submit questions and by CBSA/CARM in answering questions. Ms. Bedard offered to assist with prioritization or to have a sub-committee to provide clarification on questions to CBSA. • E-commerce: A deck was provided to CBSA by the Ms. Campbell. Ms. Jalbert raised a concern of foreign e-commerce companies who still want to be identified as casual BN9s. Industry would like clarification to direct these companies. Mr. Leahy confirmed that there have been internal conversations on commercial vs non-commercial goods. Material on the Importer of Record is ready to be sent to TCPs shortly. This material on the Importer of Record will provide clarity on liability. Mr. Band stated that CBSA needs to take a holistic look at the future of e-commerce, beyond CARM. • Operational Industry-Led Walkthroughs: Industry stated the importance of these walkthroughs to Industry for discussions on what the final processes will look like. Industry requested an update on when the next walkthroughs can be scheduled. • CLVS: Mr. Leahy agreed that we need a workshop with PGA input on CLVS. • Regulatory Package: Ms. Drouin shared that the legislation package that was in the budget implementation act in April is the final package. The regulatory package remains in cabinet confidence and will be visible to TCPs during the Canada Gazette consultation period. • Enterprise Risk: A few WG members have reviewed the terms and conditions of CARM and put together a proposed revised version. Industry requested that Deloitte/Accenture sign Non-Disclosure Agreements (NDAs) for the CES. Mr. Wishart (Deloitte Partner) shared that he believed there are clauses within our existing contract that cover the same conditions as an NDA. Industry shared that at a minimum participants of CES should receive a disclosure form highlighting that data is available to Deloitte and Accenture. • Affinity Questions: Ms. Whittaker confirmed that the affinity questions are being reviewed and changes are in development. This should go live in the mid-July to August timeframe and will simplify the process for TCPs to onboard to the CARM Client Portal. Industry requested to receive details on the changes to the affinity questions prior to the system changes. • Communication Plan: Industry asked for an updated communication plan. Mr. Dydynsky requested to see the upcoming Release 2 Webinar material in advance of the sessions so they can be prepared for what members/constituents will learn at the June-onward webinars. • Delegation of Authority: Mr. Ozberk raised a concern that Delegation of Authority (DOA) in the portal is too broad and the level of access that is available to service providers has increased risk for the Importer. Ms. Campbell and Mr. Ozberk stated that this is a high priority issue to resolve. • Financial Security: Mr. Ozberk asks for Importers to be able to see all the options of financial security. Mr. Leahy agreed to communicate terms and definitions on financial security.

- **Customs Self-Assessment (CSA) Program:** Ms. Pasher asked to have a more regular cadence of meetings. Ms. Pasher suggested having meetings every two weeks. The agendas on these calls are too broad and time management on these calls could be improved. Ms. Pasher suggested working on a focused agenda together with industry.
- **Customs Bonded Warehouse (CBW):** A mock conversion activity is in development to make sure warehouses have a good starting inventory point for Release 2 go-live. Ms. Pasher raised a concern that there is too much focus on the warehouse operator and not enough on the broker as the broker knows the inventory better than the warehouse operator. Ms. Pasher also suggested to move to electronic before R2 rather than a big transformation. Mr. Melchers agreed to take it back and look at it since R2 delay may provide more time.
- **Partially Approved Adjustment:** Industry is requesting clarification on this process.
- **RPP Transition Plan:** Mr. Band noted that there won't be anything before the Fall on RPP/Financial Security Transition Plan as there continues to be work done internally on the approach.
- **Portal Demo:** Ms. Hartwig provided a demonstration of the submission of a CAD on the CARM Client Portal incl. the ability to make templates and other ways for repeat submissions. Questions were answered during the session and unanswered questions were noted for future demos.
- **Printable CAD:** Printable CAD is still in discussion within CBSA to explore alternatives to simplify the printable CAD.
- **Future WG topic:** Mr. Ozberk asked for a stand-alone session to walkthrough the reporting functionality in more detail. Importers need a better understanding on building controls when giving access to service providers.

Action Items:

- **Release 2 Date:** Mr. Leahy agreed to share something in writing on the possible R2 dates.
- **E-commerce Questions Raised:** Mr. Band will take back how IOR will work in a CARM environment and have some internal conversations on interdependencies on CBSA's end, before coming to industry and discussing this, including how getting NRIs to register may become more complicated as volumes increase.
- **Industry-Led Walkthroughs:** Ms. Drouin shared that there is a forward agenda being worked on that will be discussed and shared with Industry.
- **Communication Plan:** Ms. Drouin committed to add this to a future WG agenda.
- **Financial Security:** Mr. Sina Ba committed to have a call with Mr. Fecteau, the Surety Association and Importer association representatives on the terms and definitions.
- **Release 2 Webinar:** CARM Stakeholder Engagement Team to share "What you Need to know with CARM Release 2" webinar material with TCP WG members in advance of webinar.
- **CBW:** Mr. Melchers to investigate moving to electronic information exchange ahead of CARM R2 for CBWs.
- **Affinity Questions:** A pre-brief will be held with WG members to share the revised affinity questions and answer questions to support WG members to support their constituents.
- **CLVS:** Mr. Leahy agreed that we need a workshop with PGA input on CLVS.

Appendix:
Questions noted during the Portal Demonstration which will be added to the Technical Q&A Log and incorporated into a future demo.

- CAD questions**
1. Would office region related fields be prepopulated since they are the same as what is on the release?
 2. Should General Tariff be an option in the drop down for this example?
 3. Why can't fields that should not be changed be prepopulated?
 4. What about the endorsements, if the importer is not endorsed, will the importer get a notification?
 5. If they are checking endorsements at release then how do you get a non-commercial shipment of wine released? Are they back to paper-based? They have to do the provincial markup separately from the release.