



Trade Chain Partner Working Group (TCP WG)

DRAFT – FOR DISCUSSION PURPOSES ONLY

February 14, 2024

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Agenda

Topic	Speaker	Timing
Welcome – meeting login	n/a	13:00 – 13:05 PM EST
Opening Remarks	Mike Leahy	13:05 – 13:15 PM EST
Project Updates	Mike Leahy and Eric Trudel	13:15 – 13:30 PM EST
Maintaining Border Fluidity through CARM Release 2 Implementation	Richard Lavoie/ Kerri-Anne Whittaker	13:30 – 14:45 PM EST
Industry Feedback and Closing Remarks	All	14:45 – 15:00 PM EST



Opening Remarks

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Project Updates

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Certification Update

Commercial Accounting Declaration (CAD) Electronic Data Interchange (EDI) Certification/Application Program Interface (API) onboarding:

- Certification package is comprised of 30 test scenarios
- In order to become 'certified' service providers test scenarios as applicable to their service offerings and report their progress.
- **26 unique software package providers** represent 98% of CBSA's transaction volumes

Status	Software Ready all in scope tests completed	>75% in scope tests completed	50%-75% in scope tests completed	25%-50% in scope tests completed	<25% in scope tests completed	Not yet testing or no results reported
# of software packages	3	2	4	5	1	11



Engagement Updates

- Customs Bonded Warehouse (CBW)
- Customs Self Assessment (CSA)
- Canadian Federation of Independent Business (CFIB)
- Courier low value shipments (CLVS)
- CARM Experience Simulation 2.0 (CES2.0)



Maintaining Border Fluidity through CARM Release 2 Implementation

For discussion February 2024

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Context

- On May 13, 2024 CARM will replace the 37 year old legacy system and become the system of record for managing \$40B in annual duty and tax revenue.
- Introducing change in a cross border environment that operates around the clock – three hundred and sixty five days a year – represents a challenge both to the CBSA and Trade Chain Partner (TCP) community.
- The transition planning for both the ‘cut-over to CARM’ period and the transition rules that will extend beyond that period are presented for discussion.



Cutover Plan

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The Cutover Period to CARM – What TCPs need to know (1 of 3)

How long will it last?

- The CBSA is currently looking at two options
 - Option 1: From April 26th to May 13th
 - Option 2: From April 29th to May 13th
- During cutover, CCS and CADEX will not be available (for accounting see below)

Can I still release goods at the border?

- ACROSS will be available with the exception of a short maintenance window, so **release processing is available** throughout the cutover period
- The guiding principles are to maintain border fluidity and limit border disruptions

When can I submit my accounting documents to CARM?

- With the exception of C-Type, hold accounting for cutover period and submit in CARM using the new CAD once live.

Will there be penalties for Late Accounting?

- Late accounting penalties will be waived during cutover and for a period of time following cutover



The Cutover Period to CARM – What TCPs need to know (2 of 3)

Do I have to make payments during the cutover period?

- Payments using the following methods must be done during the cutover period:
 - Online Banking (via financial institutions' platforms);
 - Electronic Data Interchange (EDI);
 - Point of Sale (POS) systems/Cash/Cheques at POEs.
- Payments using the following methods cannot be made during the cutover period:
 - Pre-Authorized Debit (PAD);
 - Payments on CCP using credit/debit cards.
- Payments will only be reflected in client accounts post go-live.

Will the CARM Client Portal (CCP) be available?

- CARM Client Portal will not be available from start of cutover period to go live.

How do I submit my Temporary Importations?

- Commercial Temporary Importations will follow the current-state process using the E29B form.



The Cutover Period to CARM – What TCPs need to know (3 of 3)

Customs Bonded Warehouse Movements, what I need to present?

- CBSA will accept and process paper type 10 B3s
- For other movement of goods, process will *be communicated*
- Clients should keep account of their CBW movements after their inventory has been captured for conversion (i.e., at the start of the cutover period) and post their accounting once CARM R2 goes-live. These accounting submissions should reflect any changes to their opening inventory balance since it was captured (e.g., adjust the opening inventory CAD Type 10 with any additional movements in-warehouse, submit new CADs for any movements between or out of warehouse movements).

What if an importer does not have a BN and RM account

- Use of Broker BN/RPP to obtain release of goods – Existing “First time” and “One time” importer policy maintained during cutover period
- CBSA administrative BN on C-Type entry if client not using broker

Can I still go through the certification process during cutover?

- No certification activities or environment access during cutover. Certification will resume the week of May 20th.

Processing of “cutover CADs” after go-live

- Assumption: CADs to be processed at specified periods of time based on release dates. *Analysis in progress and communication when more information becomes available*



Transition Plan

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CARM Release 2 Day 1 Scenarios



Pre/At border

- Importer registered in the CARM Client Portal
- Importer has delegated their broker in the CARM Client Portal
- Broker submits release entry under importer BN15
- Importer registered in electronic system prior to cutover and benefits from Release Prior to Payment transition



Accounting

- Importer (or their broker) submits confirming entry (Commercial Accounting Declaration) via EDI/API or in the CARM Client Portal within prescribed timeframes
- Importer (or their broker) ensures to review account balance and ensures payment is provided by the payment due date.

CARM Release 2 Day 1 Scenarios



Pre/At border

- Importer registered in the CARM Client Portal
- Importer has delegated their broker in the CARM Client Portal
- Importer **has pre-existing Release Prior to Payment (RPP) security and is provided RPP in CARM**
- Broker submits release entry under importer BN15



Accounting

- Importer (or their broker) submits confirming entry (Commercial Accounting Declaration) via EDI/API or in the CARM Client Portal within prescribed timeframes
- Importer (or their broker) ensures to review account balance and ensures payment is provided by the payment due date.

CARM Release 2 Day 1 Scenarios



Pre/At border

- Importer **not** registered in the CARM Client Portal
- Importer has **not** delegated their broker in the CARM Client Portal
- Importer **has BN15 and is provided RPP in CARM (transition rule)**
- Broker submits release entry with importer BN15



Accounting

- Importer creates their CCP account before accounting due date
- Importer delegates authority to their broker via CCP
- Importer (or their broker) submits confirming entry (CAD) via applicable channel (EDI/API/CCP) within prescribed timeframes
- Importer (or their broker) ensures to review account balance and ensures payment is provided by the payment due date OR
- Broker may opt to submit confirming entry using broker BN (interim transition)



CARM Release 2 Day 1 Scenarios



Pre/At border

- Importer can create CCP account prior to arrival or at select CBSA offices
- Importer presents (**c-type entry**) at CBSA office to seek release of their goods using their own business number.
- Additional transitional interim procedures being further considered for remote CBSA sites and/or border frontier sites with no access to CCP terminals.



Accounting

- In parallel to their release request, Importer must pay any associated duties and taxes owing at the time of presentation.

CARM Release 2 Day 1 Scenarios



Pre/At border

- Importer has **no** BN15
- Importer **not** registered in CARM Client Portal
- Importer has **not** delegated their broker in the CARM Client Portal
- Importer has **no** pre-existing Release Prior to Payment security and none is provided in CARM
- In specific scenarios (scenarios will be presented at a later date), broker could make business decision on submitting release entry using their own business number and security.



Accounting

- Based on broker decision, broker must submit confirming entry (CAD) using their business number.
- Work with importer to create CARM account for subsequent shipments to avoid this scenario in the future.
- IOR cannot and will not be applied until after the date the amendment is brought into force



Industry Feedback

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Closing Remarks and Forward Agenda

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Thank You!

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TCP Onboarding and Readiness Update

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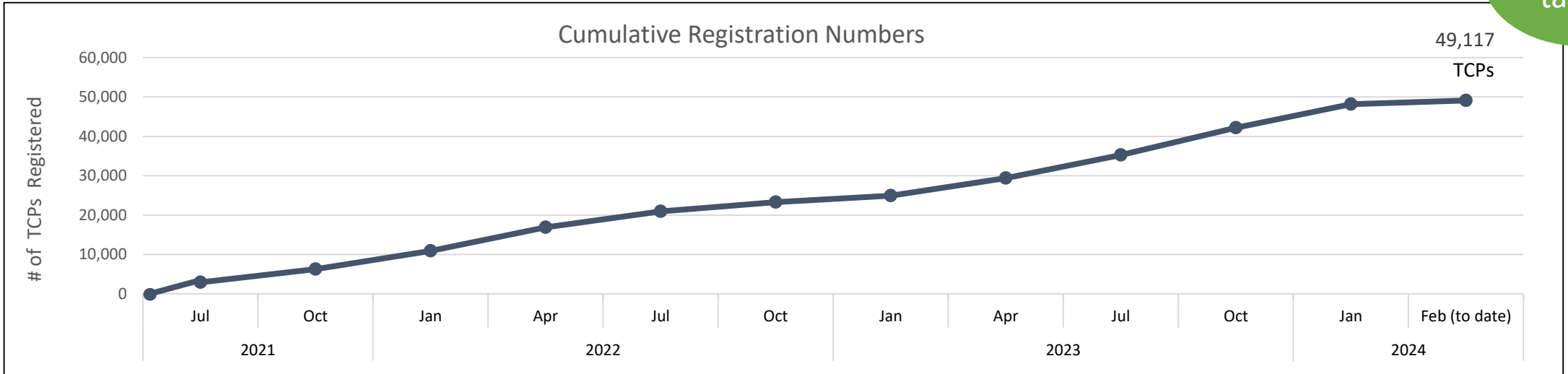
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Trade Chain Partner Portal Onboarding Status

49,117 TCPs are currently registered

61% of target



		Registration Numbers		Month over Month				Total
		Last 2 weeks (January 24th to February 6th)	Prior 2 weeks (January 10th to January 23rd)	November	December	January	February	
All TCPs		1744	1472	1507	1665	2973	789	49,117
Brokers	All Brokers	0	0	0	0	0	0	274
	All Importers	1744	1472	1507	1665	2973	789	48,843
Importers	Top 3000 Importers (value)	31	29	28	23	40	9	2535
	Top 3000 Importers (volume)	27	18	27	25	52	13	2492
	CSA Importers	0	0	0	0	0	0	102
	Top 2150 C-Type Importers	45	24	49	32	56	25	542

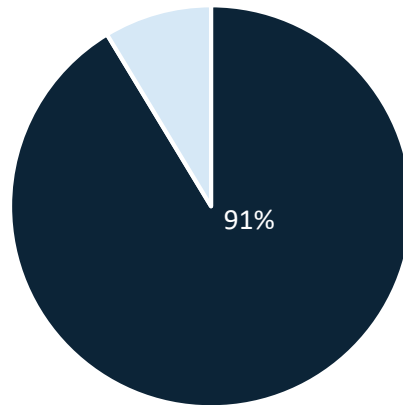
- Top 3000 Importers (volume) make up ~80% of Total Importer Volume. Top 3000 Importers (value) make up >80% of Total Importer A/R.
- CSA Importers account for 35% of Total Importer A/R. CSA Importers with multiple RM accounts are counted as separate importers.
- Top 2150 C-Type Importers transact at least once per month on average.

Updated February 7th, 2024

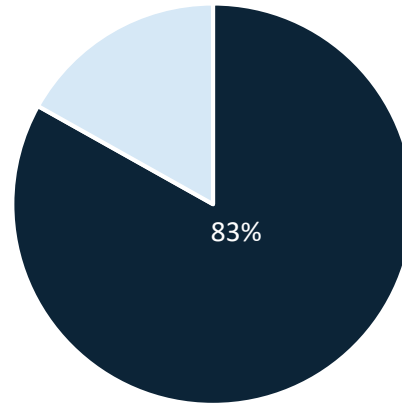


Trade Chain Partner Portal Onboarding Status

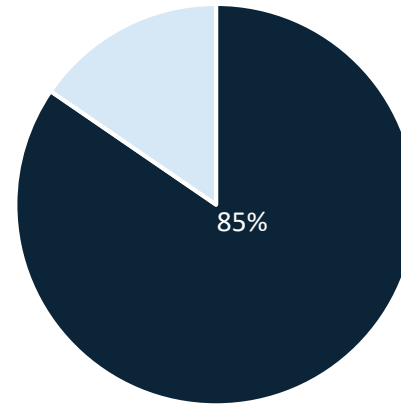
Broker
Registration



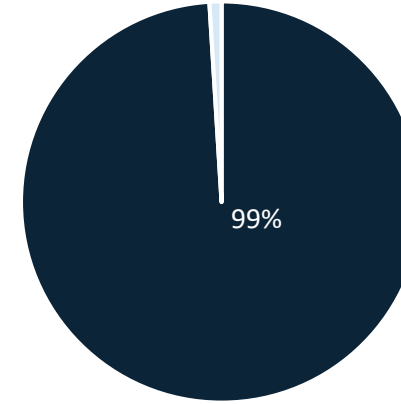
Top 3000 Importers
(by volume)



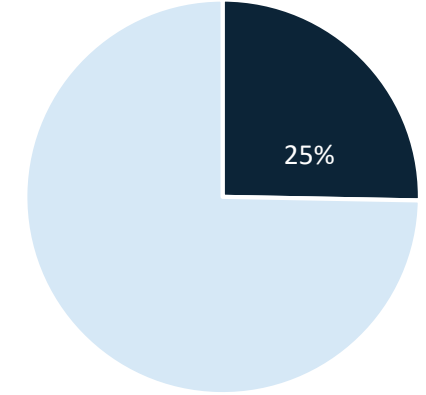
Top 3000 Importers
(by value)



CSA Importers



Top 2150 Importers
(C-type)



Highlights

- Webinars for targeted stakeholder groups have begun and will continue to be offered at multiple timeslots to accommodate for different schedules to increase attendance to the webinars and registration to the CARM Client Portal.
- CBSA continues to monitor onboarding progress towards target and will apply transition rules to protect border processing.

Updated February 7th, 2024



Upcoming Webinars

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Upcoming Webinar Series

Webinar Registration – Registering Your Small / Medium Business on the CARM Client Portal			
English	Tuesday, March 19 th , 2024	1:00pm - 2:00pm EST	Register
French	Tuesday, March 19 th , 2024	3:00pm - 4:00pm EST	Register

Webinar Registration – What You Need to Know with CARM Release 2 Webinar			
English	Tuesday, March 26 th , 2024	1:00pm - 2:30pm EST	Register
French	Tuesday, March 26 th , 2024	3:00pm - 4:30pm EST	Register

Webinar Registration – Open Mic			
Bilingual	Wednesday, March 27 th , 2024	2:00pm – 3:00pm EST	Register

More webinars will be scheduled soon!