



# CARM Trade Chain Partner Working Group – Record of Discussion

February 14th, 2024, 1:00pm to 3:00pm ET – Virtual Session

<u>Trade Chain Member Participants*</u>	<u>CBSA Guests</u>	<u>CBSA Member Participants</u>
<b>Alan Dewar</b> GHY International	<b>Andrew Wishart</b> Partner, CARM	<b>Mike Leahy</b> Director General, CARM
<b>Alice Peres da Silva</b> CN	<b>Brian Penney</b> Solution Delivery, CARM	<b>Abderrahim Boussanni</b> Manager, Payment Processing
<b>Bibi Saiphoo</b> Expeditors International	<b>Carola Daffner</b> Solution Design, CARM	<b>Charles Melchers</b> Director, Regulatory Trade Programs
<b>Candace Sider</b> <b>Laurie Caron</b> <b>Shawn Kloostra</b> Livingston International	<b>Anand Ramaswamy</b> <b>Stacey McKinnon</b> <b>Vishwa Rachamalla</b> CARM Experience Simulation	<b>Christian Figueredo</b> Director, CARM Solution Delivery
<b>Debbie Price</b> <b>Kim Campbell</b> IE Canada		<b>Doug Band</b> Director General, Trade and Anti-Dumping
<b>Deborah Osborne</b> <b>Melanie Bédard</b> Canadian Society of Customs Brokers		<b>Edith Laflamme</b> Director, Trade Policy
<b>Erol Ozberk</b> Loblaw Company Limited		<b>Eric Trudel</b> A/ Director, Change Enablement, CARM
<b>Jennifer Steeves</b> Canadian Vehicle Manufacturers' Association		<b>Kerri-Anne Whittaker</b> A/ Director, Business Readiness, CARM
<b>Justin Medicraft</b> VW Group Canada		<b>Kim Paradis</b> A/ Manager, CARM Border Management
<b>Lorna Butler</b> Delmar International Inc.		<b>Mark Mahannah</b> CARM Trusted Trader Readiness
<b>Monika Zanacan</b> C.H. Robinson		<b>Melody Kasak</b> Manager, CBSA Programs
<b>Oryst Dydynsky</b> AICBA Cross Border and Regulatory Affairs		<b>Ramona Eryuzlu-Maillet</b> A/ Manager, Stakeholder Engagement, CARM
<b>Penny Moulton</b> UPS		<b>Richard Lavoie</b> Director, CARM
<b>Peter Dawson</b> DB Schenker		<b>Valéry Sina Ba</b> Director, Revenue Accounting and Reporting
<b>Rachel Ng</b> Canadian Federation of Independent Business		
<b>Ruheda Karim</b> Nissan Canada		
<b>Tomasz Jasniewicz</b> Descartes		

\*Above list of members who spoke during the meeting. Additional organizations had representations present.

<b>Agenda:</b>
Opening Remarks
Project Updates
Maintaining Border Fluidity through CARM Release 2 Implementation
Industry Feedback
Closing Remarks

Please see the PDF presentation material (sent with invite) for more information on the agenda items.

<p><b>Summary:</b></p> <p><b>Opening Remarks</b></p> <p>Mr. Leahy Introduced the agenda, and shared that the focus of the meeting would be on project updates and border fluidity. Mr. Leahy shared that the transition document is forthcoming. The team will walk through a series of scenarios.</p> <p><b>Project Updates</b></p> <p><b>-Mr. Leahy shared updates on Commercial Accounting Declaration (CAD) Electronic Data Interchange (EDI) Certification/Application Program Interface (API) testing / onboarding.</b></p> <ul style="list-style-type: none"> <li>• <b>Certification Numbers:</b> Ms. Campbell asked if the 3 software providers marked as “Software Ready” are certified? Mr. Leahy confirmed that the 3 software packages are certified.</li> <li>• <b>Certification Numbers:</b> Ms. Caron asked if there is an overlap of service providers with those who certified to participate in CES and those considered certified here? Ms. Whittaker shared that those that completed 8 core tests for CES would still need to complete the additional 22 scenarios to be considered fully certified.</li> <li>• <b>Certification Numbers:</b> Ms. Caron asked if all 26 software package providers are certified, are we ready for go-live? Mr. Leahy shared that the 26 software providers include multiple clients representing 98% of CBSA’s transaction volumes.</li> <li>• <b>ECCRD Changes:</b> Mr. Dawson shared that with recent ECCRD changes, those 3 out of 26 service providers deemed certified are not software ready as they haven’t tested with these changes. Mr. Dawson remarked that at the last working group a technical working group call on excise tax was promised and has not taken place yet. Mr. Leahy remarked it depends on the degree of change to the ECCRD. If you are able to connect, go back and forth with us and submit then you are still certified. Ms. Whittaker shared that the results are based on a self-reporting framework, the provider is sharing that they have successfully passed a scenario and the CBSA confirms that it has been completed successfully. Mr. Leahy shared that the excise tax piece is a priority and will still be brought forward.</li> <li>• <b>Testing Environment:</b> Mr. Dawson advised that it is a risk that the testing environment closed at the end of February. Ms. Whittaker shared that although the test environment is not available during the cut-over period, it will be available before and after the go-live date from a certification perspective. Ms. Whittaker advised that she is waiting for confirmation that CES participants can still be in the environment without support.</li> <li>• <b>Metrics:</b> Mr. Jasiewicz asked the percentage of volume that represent each of the brackets. Mr. Leahy provided that they will be published for the next meeting. Mr. Jasiewicz recommending sharing the number of software packages that tested each scenario. Mr. Jasiewicz shared that two issues have been reported concerning ARL and Pre-CARM for CSA. Ms. Whittaker confirmed that CBSA is aware and it has been logged. Mr. Dawson asked that an update on the Pre-CARM for CSA issue to be shared.</li> <li>• <b>CES Open Tickets:</b> Ms. Steeves asked about how the open tickets from the testing environment will be managed? Ms. Whittaker shared that tickets are logged and prioritized. In the simulation, tickets that have been resolved are shared on the <a href="#">CARM Google Drive</a> weekly. There may be requests to retest for a period of time beyond end of February, particularly if a ticket was raised by your participating business in the simulation. Ms. Steeves asked if the intent is to ensure that all tickets are resolved prior to transition? Ms. Whittaker remarked that the tickets are prioritized, and not all tickets will be resolved before transition, but all high priority tickets will be resolved that were logged before March 1st. Ms. Sider remarked that an email of cumulative issues was sent, and no response was received. Ms. Whittaker confirmed she is aware and is working on providing an update.</li> </ul> <p><b>-Mr. Trudel shared an update on Engagements. A webinar for Custom Bonded Warehouses is being planned for the first week of March. A productive meeting took place with the Canadian Vehicle Manufacturing Association to get clarity on issues and scenarios pertaining to CSA. Mr. Trudel shared tentative date of February 27<sup>th</sup> for a CSA Importer meeting. Joint webinars with the Canadian Federation of Independent</b></p>
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**Business are being planned to reach smaller importers. A meeting with the participants of the CLVS program is being planned to go over outstanding questions.**

- **CFIB:** Ms. Ng shared that the dates (February 27 and March 7) that were being explored for a Canadian Federation of Independent Business (CFIB) webinar would ultimately not work for the CFIB. They would like to meet and discuss the webinar, communications, and results of the small business awareness on CARM survey.

#### **Maintaining Border Fluidity through CARM Release 2 Implementation**

- **Foreign Exchange:** Mr. Dawson shared a concern about foreign exchange. How will the Canadian values of the shipments be computed for single window transactions during the period of April 26<sup>th</sup> to R2 go-live? Ms. Whittaker shared that CBSA ISTB will make the exchange rate API available for use at the start of the cutover period. Mr. Jasiewicz asked if this can be available before? Ms. Whittaker remarked that she can't provide an answer today, but said it will be taken away to ask our ISTB colleagues if there is flexibility on the time it will be available.
- **Trade Communication:** Ms. Bedard asked if communication to trade will occur during the cutover period? Ms. Whittaker confirmed that this is something that is being worked in to our plan, there is a need to have check points with externals (particularly service providers) during the cutover and the details will be confirmed.
- **Contingency Plans:** Mr. Jasiewicz enquired if there is a contingency plan? Mr. Leahy said that yes contingency plans are put in place and will be a part of transition discussions documentation.
- **CSA:** Ms. Karim asked about the cutover for CSA importers, are there plans to address specific questions as they prepare for the system changes? Ms. Whittaker shared that the CBSA is committed to holding a specific session for the CSA community to address their specific questions and scenarios (session is scheduled Feb 29/24).
- **RNS Metrics:** Mr. Jasiewicz asked if the CBSA knows the volume of clients that are not subscribed to RNS? Ms. Paradis shared that this will need to go back to our ISTB colleagues, and follow up with the group on this.
- **RPP:** Ms. Caron asked if the RPP is on the brokers or importers bond during the cutover,? Ms. Whittaker shared that during the cutover period it would be on the brokers bond from a release perspective. Mr. Caron asked in regards to c-type clients, would they be submitting a B3 or a CAD during the cutover period? Ms. Whittaker clarified that a paper B3 form would be accepted, and CCEPS would still be available.
- **Late Accounting:** Ms. Moulton asked for clarity if the waivers for late accounting will automatically be granted or requests will be required? Ms. Whittaker confirmed that these will be applied automatically for the cutover.
- **B2 Adjustments:** Ms. Zananan asked how the cutover period for B2 adjustment drawbacks and blanket B2s will look like? Will there be accounting penalties? Ms. Whittaker shared that if there isn't an immediate need to submit your B2 request, you would benefit from waiting until the go-live date to benefit from the electronic submission. In regards to the penalties, Ms. Kasak will confirm.
- **B3s:** Ms. Butler asked for clarity that during the cutover period where releasing is done via ACROSS for B3s, they will need to switch to a CAD. Ms. Whittaker confirmed a CAD will need to be used after May 13<sup>th</sup>.
- **Late Account Penalties:** Ms. Caron asked with late accounting penalties waived, will late payment penalties and interest be considered as well? Ms. Whittaker shared that interest is taken in to consideration, but the late payment may be considered on a case-by-case scenario.
- **Maintenance Window:** Ms. Peres Da Silva asked if the main shutdown for the maintenance window, will be in off hours? Ms. Whittaker shared that this will be communicated but to fall on a weekend.
- **B2 Processing:** Mr. Kloostrask asked what the CBSA is doing to ensure B2s are processed in advance of R2? What is the process for B2s submitted before R2 once CARM is in place? Ms. Whittaker shared that the CBSA is working on the backlog. Any B2s submitted before R2 will be processed, and will not need to be resubmitted. Ms. Kasak shared that the regions are working through the backlog that as quickly as possible. Some that will be keyed in after R2. A suggestion was made to submit after R2 if possible, as they will be processed faster.
- **Billing Cycle:** Ms. Saiphoo asked in the two scenarios where the cut-off period ends on May 13<sup>th</sup>, what will happen to the entries that were released from May 13<sup>th</sup> to the 17<sup>th</sup> knowing that the new billing cycle cuts off on the 17<sup>th</sup>? Will we need to confirm all of those CADs during that period by the 17<sup>th</sup>? Ms. Whittaker shared that yes you will need to confirm those entries using the CAD, however as part of the transition plan we will be specifying how, when, and how long you will have to clear that backlog of confirming entries from the cutover period.
- **Use of Broker Bond and BN:** Ms. Sider remarked that there needs to be more information on the liability of using a broker's bond and business number during the transition period. Mr. Band remarked

that the liability clock can't and won't start until it's brought in to force. There is no shared liability until that amendment is brought in to force, and it will not be brought in to force during the cutover period. The dates are a cabinet decision, so we will come back to that.

- **RM Extensions:** Mr. Ozberk shared that with the CRA notice of discontinuing RM extensions as of May 13<sup>th</sup>. Ms. Whittaker clarified that as of May 13<sup>th</sup>, RM extensions will be responsibility of CBSA and no longer by the CRA. Program accounts (RM) will be issued via the CARM Client portal as of R2. Mr. Ozberk shared that this information is not obvious on the website.
- **Temporary Imports:** Mr. Medicraft asked how do temporary imports work in regards to approvals, and what documents will drivers need to present at the border with a temporary import? What is there in place in regards to training brokerage staff of the new temporary import process? Ms. Whittaker shared that the CARM User Guides are available on the [CARM Google Drive](#). Mr. Melchers provided that the E29B process that exists today will continue throughout the cutover period. In CARM there is a new process, but clients can refer to the CARM User Guide on this. Mr. Medicraft asked if the new form is printed, will it be stamped like it is today? What does the approval look like on the portal? Ms. Paradis shared that that form will need to be completed in the portal, then printed off and presented at the border. Once presented, there is a process at the commercial office where the BSO will go in to the portal and approve it. Ms. Campbell asked if the temporary importation process has been tested. Ms. Whittaker confirmed that it has and a focus session on this is coming up.
- **CRA Support:** Ms. Bedard asked if the Customs Business Registration line at the CRA that brokers use for apply for BN/ RM extensions on behalf on clients will cease operation at R2. Ms. Bedard remarked that with all the changes that are happening on May 13<sup>th</sup>, would the CRA consider keeping the Broker line open for a period of time beyond May 13<sup>th</sup>? Ms. Whittaker shared that the CBSA is in conversation with the CRA, and the CRA has plans to continue the support after May 13<sup>th</sup> for a period of time. The CRA is trying to encourage brokers to use the online service they offer for registration of business numbers. CRA can issue business numbers but will direct clients to the CARM Client Portal for program registration.
- **Warehouses:** Ms. Osborne asked to confirm the process for warehouses during the blackout period. If they have goods coming out, they would print the type 20 form and have it stamped by customs, move the goods and then submit the CAD after R2? Ms. Whittaker confirmed that was correct. Ms. Osborne asked how this is done for Type 21 an exporting the goods, will they submit the printed form to be stamped then submit the CAD and export documents after R2? Ms. Whittaker confirmed this would be the same process, they will use a CAD in the portal to account for movement once R2 goes live. The program areas will confirm the exact requirements of what might be required during the cutover period. Ms. Osborne was asked to send her scenario on clients that are not CARM registered but the broker gets a release using their BN to the CARM Engagement Mailbox.
- **Program Enrollment:** Ms. Peres Da Silva enquired if in the future an importer can apply and remove themselves from programs within the CARM Client Portal. Ms. Whittaker confirmed that they can both enrol and disenrol in programs directly on the portal after R2.
- **Broker BN:** Mr. Jasiewicz asked in regards to accounting on a Broker's BN, will there be a unique CAD message received? Ms. Whittaker remarked that she was not aware of a unique message, but asked for this scenario to be sent in writing.

**-Ms. Whittaker shared scenarios.**

- **RPP Transition Scenario:** Ms. Sider shared that in reference the scenario where the importer has BN15 and is provided RPP in CARM transition. If the importer has not registered, delegated authority but they have their own business number they would not be entitled to the 180 day transition period for RPP. Mr. Leahy shared that is the focus of the conversation. This group has talked about the impacts and potential risks to the border. We can apply business rules as needed, so this scenario can come in to play if needed. Ms. Peres Da Silva shared that another bullet should be added that the broker has worked with the importer to help them register on the portal, can we switch that from the broker BN to the importers. The question was asked of how long this will this be in place? Will it just be for the transition period or an extended period of time past that. Mr. Leahy confirmed it will be an extended period of time. Ms. Caron mentioned that where it states "the broker may opt to submit confirming entry using broker BN" is where things get lost. To do that an A48 RMD correction would need to be made. Mr. Leahy remarked that this is good feedback, the language is open for us to elaborate on.
- **Delegation of Authority Scenario:** Mr. Dewar remarked that there is a scenario that may be missing concerning an importer who is registered on the portal but hasn't completely delegated authority to all the brokers who may be involved in their processing. If importers registered on the portal some time ago and have now forgotten the portal exists, brokers will be creating releases for certain types of transactions and they may be unable to figure out who the BAM is to contact. CBSA will add this scenario to the list.

**Closing Remarks**

Ms. Whittaker remarked that there are onboarding metrics and information on upcoming webinars in the meeting material. If there are any specific questions or scenarios with respect to the transition, please send them to the CARM Engagement Mailbox. Mr. Leahy remarked that the CBSA will produce a formal transition document with rules and cutover process. The next meeting will focus on the scenarios.

**Action Items:**

- A Customs Bonded Warehouse (CBW) webinar will be scheduled the first week of March.
- The percentage of volume of each certification bracket will be shared in the next meeting materials.
- CARM Engagement will contact CFIB to schedule a meeting to go over the survey results, communications, and plan for webinars.
- CBSA will look into if there is flexibility on the availability of exchange rate API, as well as providing metrics on RNS subscriptions
- A CSA-specific meeting will address the communities concerns and answer questions (scheduled for February 29<sup>th</sup>).
- CBSA will confirm the information on accounting penalties in regards to B2 adjustment drawbacks and blanket B2's.
- Information will be confirmed on Ms. Osbornes scenario on Warehouses.
- The RPP scenario will be expanded based on the feedback provided.
- The Delegation of Authority scenario suggested by Mr. Dewar will be added.