



# CARM Solution Spotlights and Recording Notes

## 1. Overview of CARM Information Packages, CARM Solution Spotlights and Recordings

- CARM Information Package and related recordings are available on [GC Collab in our CARM group](#).
- A component of the package are the CARM Solution Spotlights which provide an overview of key Release 1 and Release 2 solution details.
- These accompanying notes are provided to assist you in informing your colleagues, clients and/or your members on the upcoming CARM changes. They are broken down each topic of the CARM Solution Spotlight/ CARM Recordings.
- If you require access to GC Collab, you will need an invitation from us, so please reach out to our [CARM Engagement mailbox](#).

## 2. Introduction to CARM Release 1 Changes

- The deployment of CARM will follow a phased approach. Release 0 will generally require no action from Trade Chain Partners. Release 1 will launch in Spring 2021 and will see the introduction of the CARM Client Portal and its basic functionality. Release 2 will launch in Spring 2022 and will feature all core CARM functionality and processes.
- Benefits of the CARM initiative include
  - Self-Service: Ability to complete business number registration and program enrolment, delegation of authority, payment, adjustments, submit and track rulings and appeal requests online
  - Visibility: Ability to view account information and transactions, receive automated billing and payment notifications, and monitor financial security level
  - Efficiency: Helps to eliminate burdensome manual, paper-based processes. Improved payment efficiencies with harmonized billing. Ability to submit supporting documentation online
  - Support: Access to information and support to assist with accurately completing import accounting declarations. Access to a ChatBot to submit inquiries.

## 3. CARM Client Portal Overview & Onboarding

- As of Release 1, the CARM Client Portal will be accessible to Importer, Custom Broker, and Trade Consultants businesses. All other Trade Chain Partners will have access to create a portal account at Release 2.
- Release 1 functionality will include the ability to:
  - view client account information,
  - submit and track ruling requests,
  - access self-service tools and new electronic payment options
  - and finally, delegate authority to your employees and third-party service providers to manage key portal processes on your behalf.

- CARM Release 2 will feature additional capabilities such as:
  - registering your business to obtain a business number (BN9) and enrolling in programs and acquiring a RM account or Program ID (RM15);
  - submitting the new Commercial Accounting Declaration (CAD), with the ability to submit adjustments electronically with increased visibility into the status of the adjustment;
  - new reporting capabilities, including the ability to extract your account data; and,
  - and finally, submitting and tracking appeals through the portal.
- The CARM Client Portal will increase visibility and control over accounting and revenue management processes for Trade Chain Partners, with new online self-service tools available, all accessible by following a simple online onboarding process.
- Creating an account and onboarding onto the CARM Client Portal is a very simple process.
  - If you have not previously transacted business with the CBSA, follow this step otherwise skip to step #2. Obtain a Business Number and RM by following the current process to obtain a Business Number (BN) and RM account through the Canada Revenue Agency. This process will still be manual and paper-based until Release 2 of CARM.
  - Step #2 – Create an Individual User Portal Account by going to the CARM Client Portal page, and logging into the portal using one of the following login credentials:
    - GC Key
    - or a Sign-In Partner
  - Step #3 – Once you’ve created your individual account, you will need to link your user account with your Business Account. If you have been designated as the Business Account Manager (BAM) for your company, you must complete this step. You will need to provide your RM account credential and answer the following questions:
    - Legal entity name of the business and full address information
    - Two of the following three transactional questions: transaction number and associated duties & taxes, last transaction payment amount, or last Statement of Account balance
  - Step #4 – With access to your company’s business account, there is still one crucial step that you will want to do before you begin using the portal to transact business with the CBSA. If you use a customs broker, or have other employees in your company that deal with your importations, you must Delegate Access to Employees or Representatives.
    - This is a key step of the onboarding process, and is further detailed in the Delegation of Authority Solution Spotlight and the corresponding Delegation of Authority recording.
  - Step #5 – Once the above steps are complete, you are now ready to Conduct Business with the CBSA. For Release 1, you can request a ruling, view your transaction history, view your Statement of Account, make payments, and use self-service tools.
    - See CARM Solution Spotlights for Account Overview and Payment Processing, and Rulings for more information.

#### Key Takeaways for CARM Client Portal Overview and Onboarding

- The CARM Client Portal will provide self-service tools and increased visibility and control over accounting and revenue management process.
- Basic portal functionality will be introduced to the trade chain community with Release 1. Whereas, full CARM functionality will be made available in Release 2.

- Importers, Custom Brokers, and Trade Consultants businesses will have access to the CARM Client Portal in Release 1.

#### 4. Delegation of Authority

- Through the CARM Client Portal, Trade Chain Partners will be able to delegate access to their portal account to their employees and to their third-party service providers to manage commercial importation activities on their behalf.
- This process differs from the business registration process, in that the act of delegating access to both your own employees and third-party service providers serves to reproduce your internal organizational structure and business-to-business relationship.
- If importers would like their customs broker to manage their account and perform transactions on their behalf (e.g., submit rulings, set up their delegated access) they will need to delegate their customs broker access to their portal account. After CARM Release 2, conducting certain importing activities on behalf of a client, such as the accounting declaration submission, may not be possible without proper delegation of authority within the portal.
- When Release 1 goes live, importers, customs brokers, trade consultants will have access to the portal, and consequently the ability to delegate access to their business account. The delegator must have a user portal account that is linked to their business, and the delegatee must also have a user portal account.
- A key benefit that will come from this change is that it will provide Trade Chain Partners with significantly greater control and visibility over who has access to their business account.
- Another key feature that will benefit the trade chain community is that Trade Chain Partners will have the ability to manage user access based on specific roles and visibility rules, with the ability to preview the specific functions a user will be able to access in their delegated role.

#### Delegation of Authority – Overview of access roles in the CARM Client Portal

- In the portal, there are many different ways to segment access to a business account. The following details how access can be managed within the portal.
- Starting with the important Business Account Manager role, this role possesses the highest level of management access over a business account, with complete read, write, and edit privileges. Therefore, the Business Account Manager should be an active operational user and not necessarily the owner/CEO of the company. We understand that only certain key leaders will have the required legal information to link their business account in the CCP, so it is up to the business if they'd like to equip an active operational user with the necessary legal information to link their business account, or have an executive from the business complete the initial setup of their business account. Either way, since this role is of the utmost importance with unique privileges, it is highly recommended that businesses assign at least two Business Account Managers. The portal will periodically remind the single Business Account Manager if he or she has not delegated a second Business Account Manager.
- The next role one can have in the CARM Client Portal is of a Program Account Manager.
  - An example of this role is Luc, who is a Program Account Manager at ABC Inc. He has the ability to modify program registration information, grant access to employees of his Program and create, edit and view all Program transaction information. He assumes the role of Program Account Manager (PAM).
- Following this we have Editor. In our example, Edward is an Editor which means he can create, edit, and view all transaction information for a Program.

- Next we have the role of Reader, who is able to see all transaction information for a Program but is unable to create or edit information.
- There are two types of roles a third-party service provider can assume when accessing a client's account in the CARM Client Portal. The first role with the most access is a Third Party Business Account Manager. In our example, Lucie assumes this role, and therefore, although she cannot modify them, Lucie has the ability to accept new employees to the business, and request 3rd party business relationships with clients.
- Next, we have the Third Party Program Account Manager. In our example, Ron assumes this role and has the ability to grant access to his employees to a client Program and is able to create, edit, and view all transaction information from a client Program.
- Finally, the last role highlighted here is an Orphan user, who has either not linked her business in the CARM Client Portal, or has not been accepted as an employee of her company.
- To further make it simple for businesses to understand their access structure, Business Account Managers will be able to preview the access users have to their business account, based on the specific functionality that they will be able to use in the portal. Overall, the CARM Client Portal gives Trade Chain Partners flexibility to ensure that their employees and third-party service providers have access to what they need, and only what they need.
- Since the goal of the Delegation of Authority process is to represent true organizational structures and business-to-business relationship environments, it was important that CARM allowed businesses to be able to manage the visibility of their transactions amongst their third-party service providers. The Business Account Manager can choose the visibility of what their third party service provider can see, with options to allow this service provider to access transactions self-submitted by the importer or other third-party service providers. Note that a third-party service provider can always access what they submitted themselves, by default.
  - Our example of this in action is of Sandra from DEF Brokerage who needs to make a change to another customs broker's transaction. Therefore, she works with her importer client's Business Account Manager so that they grant her the additional visibility required to perform this action.

#### Delegation of Authority - Key steps to delegate access to a business account

- The delegation of authority process is simple, with key steps to follow to ensure your access structure is accurately representative of your organizational structure and third-party relationships.
- The precursor to delegating access to your business account is to first create your individual user portal account, and then register your business with the portal, if you are the Business Account Manager. This applies for all businesses who wish to have access to the portal. See the CARM Client Portal Overview and Onboarding solution spotlight and recording for more details on the prerequisite steps.
- The steps to follow is where the delegation of authority process begins. We can separate the process into importer activity and third party service provider activity.
- Starting with the importer stream first:
  1. Upon creating their individual user account, employees of the Importer business will need to request access to their company's account.
  2. Next, the Business Account Manager and/or Program Account Manager of the Importer will need to accept, or reject, the access requests that they receive from third party service provider businesses and/or employees from their own company and assign the specific kinds of access and visibility to these individuals for them to access their business account.

- For the third party service provider stream, the steps are very similar but with a few key differences:
  1. Upon creating their individual user account, employees of the third party service provider business will need to request access to their company's account
  2. Next, the Business Account Manager and/or Program Account Manager of the third-party service provider business will need to accept, or reject, the access requests that they received from the employees from their own company and assign the specific kinds of access and visibility to these individuals for them to access their business account.
  3. Then, the Business Account Manager of the third-party service provider business will need to request access to their client's CCP account.
    - Only the Business Account Manager of the third party service provider will be able to request access to a client's business account in the CCP.
    - Note: Only customs brokers, and Trade Chain Partners who are registered as third-party providers (in R2) will be able request access to another business.
  4. Once the client grants access to their account, the Business Account Manager and/or Program Account Manager of the third-party service provider business will need to delegate access to the client's account to the appropriate employees in their third-party service provider organization. From there, they assign the specific kinds of access and visibility these individuals require to work on this client's account.

#### Delegation of Authority - Key Takeaways

- As one of the key pieces of the CARM solution, ensuring your business understands how this delegation of authority process will work, along with ensuring you prepare appropriately will be critical to the success of the CARM initiative.
- Trade Chain Partners will have flexibility to manage access to specific employees, based on specific roles and visibility rules. Therefore, you have significant amount of control related to who has access to your account.
- Customs Brokers and Trade Consultants will need to work with their importer clients to create a delegation of authority relationship within the CARM Client Portal, in advance of Release 2.
  - Due to the importance of delegation in the portal, and the dependency this process will have on future Commercial Accounting Declaration (CAD) submissions, it is very important that Trade Chain Partners begin to discuss how to adjust their working relationships with third-party providers, as well as determine how to change internal processes to account for this new functionality.
- In addition to preparing for new processes related to delegating access, client should immediately start considering who from your organization will be the Business Account Manager, along with how you will structure your access privileges amongst your employees and customs broker(s).

#### 5. Accounting Overview & Payment Processing

- As of Release 1, Importers, Customs Brokers, and Trade Consultants will have access to an online view of transactions posted to their accounts. Other client types will continue to access this information through existing methods, until Release 2.
- Statement of Accounts (SOAs) will be available for viewing on the CARM Client Portal, and/or will be distributed via the Electronic Data Interchange (EDI). This will make it significantly easier for

trade chain partners to access their SOA or transaction history, since they will no longer have to rely on a service provider or a trip to their local CBSA office.

- It is important to note that only financial transaction information will be available in the CARM Client Portal at Release 1. Other transactions such as declaration information will only become available at Release 2.
- In addition to easier access to transaction information, Release 1 will provide greater flexibility through new electronic payment options. These new options include : Pre-Authorized Debit (PAD), credit card, and debit. Credit card payments will be permitted for up to \$5000 in amount owing.
- While new payment methods are being introduced, some current payment options are set to be phased out by Release 2.

#### Account Overview & Payment Processing – Transaction History

- Clients will be able to view their transaction history on the CARM Client Portal.
- Users will be able to filter their transaction data in a number of ways, such as filtering by billing cycle so that you only see transactions for a given billing period. Users will also have the ability to download the data in traditional spreadsheet-friendly formats, such as CSV and XML.
- It is important to note however that only transactional data generated after the implementation of Release 1 go-live will be accessible through the CARM Client Portal. Transactional data generated prior to Release 1 will not be available in the portal.

#### Account Overview & Payment Processing – Key Takeaways

- To summarize, the first release of CARM will modernize how importing accounting information is captured, bringing clients closer to their data, while also providing additional options when transacting with the CBSA.
- CBSA clients will be able to access their transaction history through the CARM Client Portal. This will provide increased visibility, and easier access their own data, on their own time.
- At Release 1, Pre-Authorized Debit (PAD) and credit card will be introduced as new payment options via the CCP
- Cash, bank cheque and remittance payment methods will no longer be accepted by the CBSA after Release 2 for commercial importations. These payment methods may however be accepted in other streams of CBSA business, such as for travellers.

## 6. Rulings

- At CARM Release 1, rulings will be able to be processed electronically through the CARM Client Portal (CCP). This applies to Advance Rulings (AR) and National Customs Rulings (NCR), as well as Same Condition Rulings (SCRs).
- Under CARM, the rulings process is very simple and straightforward. As it is done today, rulings will be initiated by either the Trade Chain Partner or the CBSA, except now under CARM, the Trade Chain Partner will be able to initiate a ruling through the CARM Client Portal.
- A key change under CARM is that Trade Chain Partners will be able to view the status of each ruling request and track it's progress, during the lifecycle of the ruling. Furthermore, the CBSA may ask, as they do today, for additional information or documentation, which Trade Chain Partners can easily provide via the portal (e.g., attaching documents).

- Once the ruling is processed, Trade Chain Partners will receive the ruling decision via the CARM Client Portal, including a notification and formal letter.
- From here, two possibilities follow this step: Trade Chain Partners will be able to appeal the ruling decision. However, only at R2 will rulings will be able to appealed through the portal. Until then, Trade Chain Partners will need to use the current-state process to appeal rulings. The other possibility being that the ruling decision will be published for public access, if consent was provided by the client Trade Chain Partner.
- Come Release 1, Importers, Customs Broker, and Trade Consultants businesses will be able to submit ruling requests via the CARM Client Portal, since they are the only client types who will have access to the portal at Release 1. All other types of clients will request rulings using the current state manual process at this time. Only at CARM Release 2, will all client types be able to request rulings using the CARM Client Portal.
- Overall, rulings under CARM will facilitate a much simpler electronic ruling submission process through the CARM Client Portal, with added visibility into tracking of the progress of each ruling through statuses that serves as a significant improvement over the limited visibility that exists in the process today.
- From the CARM Client Portal, clients will be able to view a consolidated list of all rulings, which would include detailed information on the case number, the type of ruling, the status, and any associated rulings letters, if applicable.
- It is important to note that the CARM Client Portal functions based on the RM account, meaning that the rulings listed will only be for the RM account that the client is currently operating in.
- To view rulings for another Trade Chain Partners and/or view rulings for another RM account under the same a legal entity (BN9) account, you would simply need to select the other account from the drop-down menu at the top right of the portal screen.

### Rulings - Key Takeaways

- Advance Rulings (AR) and National Customs Rulings (NCR), as well as Same Condition Rulings (SCRs) will be managed electronically via the CCP by R1.
- Trade Chain Partners will be able to track the progress of these requests, which will provide improved levels of visibility to clients into the rulings process.
- Finally, as it is done today, the publication of rulings will require consent from the requestor prior to publication. SCRs will not be published publically.

## 7. Business Registration & Program Enrolment

- Starting in Release 2, Trade Chain Partners will be able to acquire a BN9, RM account, and Program ID, all through the CARM Client Portal. The CBSA will become a BN partner with the Canada Revenue Agency to support the Agency seamlessly issuing business numbers to Trade Chain Partners. Trade Chain Partners will no longer have to register and enroll through cumbersome paper forms.
- It is also important to note that Trade Chain Partners will need a BN9 and RM account to transact business in the portal. This includes Third-Parties and Foreign Entities.
- Trade Chain Partners registering and enrolling on the CARM Client Portal may require a BN9 if they have not previously received one from the Canada Revenue Agency, and an RM and/or Program ID if they have not previously enrolled in a CBSA program, or were not previously required to obtain an RM or Program ID during program enrolment. The portal will allow for the generation of BN9s, RMs and Program IDs to support the unique needs of all Trade Chain Partners.

## Business Registration & Program Enrolment - Acquiring a BN9, RM, and Program ID

- The prerequisite to registering your business and enrolling into a CBSA program is to use a GCKey/sign-in partner to create your user account. Once that is complete, the client is now ready to begin the business registration and program enrolment process.
- Upon logging into to the CARM Client Portal, the first step of the registration process is where Trade Chain Partners will be asked to provide client identifiers. This could be either a BN9, RM, or Program ID. Once Trade Chain Partners input these numbers, the system will determine which process they will follow and which affinity questions they will be required to answer, either legal entity, transactional or both, based on their specific situation. This may include the following:
  - Company main information (e.g. company name, business number, etc.)
  - Ownership information
  - Address information
- With this information, the system will capture all legal entity information required to generate a BN9 and this concludes the business registration process.
- The program enrolment process follows, where a client completes a program enrolment form through the CARM Client Portal, or through a downloadable PDF form, to enrol in a CBSA program. Program in this case refers to the client type that the CBSA identifies through the use of RM accounts. An example of a program is an importer or customs broker. As a client completes their program enrolment form, they will have the ability to attach supporting documentation directly to the application. Next, a CBSA officer analyzes the form information and approves or denies the enrolment request. Depending on the program that a client is enrolled in, they may choose to apply for a sub-program. Using the importer program as example, a sub-program could be EDI enrolment or Release Prior to Payment (RPP).
- Lastly, if a client is enrolled in a program that requires a Program ID, the system will simply generate it automatically and assign it to their account. For example, in the Transporter program, this could be a Carrier Code.

## Business Registration & Program Enrolment - Key Takeaways

- CBSA has partnered with the Canada Revenue Agency to facilitate a simple registration and enrolment process directly through the CARM Client Portal.
- Trade Chain Partners will be able to acquire a BN9, RM account, and/or Program ID via the CARM Client Portal.
- Trade Chain Partners will be able to enrol in sub-programs, such as Release Prior to Payment or EDI, all through the Portal.
- Release 2 will enable all client types to access the portal and will require all Trade Chain Partners to have a BN9 and RM to transact business via the portal, which includes Third Parties and Foreign Entities as well.

## 8. Financial Security

- The CARM Project will modernize the Release Prior to Payment (RPP) program and support the Importer liability model. This means that as of CARM Release 2 it will be mandatory for importers to have a financial security bond or post a cash deposit in order to participate in the Release Prior to Payment program.
- Since this change will impact the majority of commercial Trade Chain Partners, strong collaboration from both the CBSA and the trade chain community will be required to prepare the importing community.

- While changes to the RPP program are significant, benefits can be derived for both the CBSA and the trade chain community; including
  - More efficient management of Release Prior to Payment security with the CBSA.
  - The ability for the CBSA to prompt importers at risk of surpassing financial security levels via the CARM Client Portal.
  - Reinforcement that the importer is liable for their imports, regardless of whether or not they use a Customs Broker.

#### Financial Security - How will RPP financial security be calculated?

- As of CARM Release 2, importers will be required to post security with a surety bond or cash deposit in order to have access to the Release Prior to Payment privileges. The cash deposit method is where an importer gives the CBSA a specific amount of money, in exchange for the privilege to obtain release of their goods prior to payment. The non-cash bond or surety bond method follows the same is a similar concept, however, the cash payment is handled by a surety company, on behalf of the importer.
- The financial security requirements for both methods will be calculated as follows:
  - For surety bonds, the security requirement will be to post a bond equal to or greater than 50% of the importer’s highest monthly accounts receivable (inclusive of duties and taxes) within the prescribed period – from July 25<sup>th</sup> of the previous year to July 24<sup>th</sup> of the current year.
  - For cash deposit, the security requirement will be to post a deposit equal to or greater than 100% of the importer’s highest monthly accounts receivable (inclusive of duties and taxes) within the same prescribed period. This can be done by making a deposit through the CARM Client Portal as of Release 2.
- The 12 month timeframe for calculating Release Prior to Payment security is from July 25<sup>th</sup> to July 24<sup>th</sup>, with updates required by October 15<sup>th</sup> of each year. To illustrate, if the current time is March 2022, the calculation timeframe would be from July 25<sup>th</sup>, 2021 to July 24<sup>th</sup>, 2022, with updates being required by October 15<sup>th</sup>, 2022.
- For importers without 12 months of history or who wish to post a bond prior to July 2021, an estimation will be permitted as it is today.
- It’s important to remember there is always an obligation for companies to properly forecast their expected accounts receivables and ensure their bond is set at the proper amount in order to meet the program’s requirements.
- There will be a minimum bond of \$25K to obtain Release Prior to Payment privileges for surety bonds; and no minimum requirement for cash deposits.
- RPP financial security (surety bond or cash deposit) can be used to secure all accounts receivable, including duties, taxes (inclusive of GST), fees, interest, adjustments, and SIMA.
- The existing cap for the financial security bond will remain at \$10M.

#### Financial Security - How will CARM enable the future state RPP program?

- It is important to note that importers will continue to be required to obtain a bond from an acceptable Surety Company as outlined by the D-Memo D-171-8.

- At Release 2, CARM will enrol Sureties via the CARM Client Portal and provide the ability to establish a direct connection with the CBSA.
- CARM will also simplify the process in which the CBSA receives bonds through two options:
  - Option 1 is that an Importer will obtain a bond with a Surety Company, and CARM will receive the bond information from the Surety Company, or,
  - Option 2 is that an Importer, or their delegate, will enter their bond information into the CARM Client Portal, and their Surety Company will be notified to validate they have a bond for the amount specified.
- The CARM Client Portal will enable Importers, or their delegate, to view all security posted and will prompt them with proactive reminders to increase security or make a payment if their account balance is approaching the amount of security posted.

#### Financial Security - How will the future state RPP program be rolled out?

- The CBSA is looking to roll-out the changes in a way that facilitates a smooth transition and calls upon members of the trade chain community for support.
- The future state RPP program will go-live at Release 2, however, the transition must begin prior to this. To facilitate this important transition ahead of Release 2, CARM will establish a temporary solution to allow Surety Companies to pass bond information to the CBSA, allowing the CBSA to migrate those Importers who have obtained bonds onto the RPP program.
- The RPP onboarding solution is as follows:
  - Importers will obtain RPP bonds via their surety provider prior to Release 2 go-live, and establish an effective date (could be Release 2 go-live or a date prior)
  - Upon issuing bonds to importers, sureties will provide bond information to the CBSA.
  - Data is loaded into CARM on a regular basis to enable CBSA to monitor importer uptake in preparation for Release 2 go-live
- The CARM project will provide tools and support throughout this transition, such as reference guides, targeted communications, and engagement with key trade chain associations.

#### Financial Security - Key Takeaways

- The CBSA will enforce clear Liability at the Importer level. The party whose business number is quoted on a release request is the importer and therefore holds liability.
- The release prior to payment (RPP) financial security (surety bond or cash deposit) will be used to secure all accounts receivable. This means that this bond will encompass duties, taxes (GST), fees, interest, adjustments, and SIMA.
- It is incumbent on the Importer to maintain RPP financial security in the amount of their highest monthly accounts receivable.
- Finally, for those Importers who wish to have a surety bond, they will be encouraged to acquire a bond with a Surety, with an effective date of Release 2 go-live, or prior. The CBSA will work with Sureties to enable them to provide their bond information into the CARM system, prior to Release 2 go-live.

## 9. Commercial Accounting Declaration (CAD)

- The Commercial Accounting Declaration will replace the current Customs Coding and Request for Adjustment forms – commonly referred to as B3 and B2 forms – and will come into effect with CARM’s Release 2.
- Any updates made to a declaration will create a new version of the original declaration, thereby making it easier for Trade Chain Partners to track the lifecycle of a declaration.
- The ability to electronically correct and adjust a declaration will eliminate the need to submit paper request for adjustment (B2) forms.
- It is important to note that the introduction of the Commercial Accounting Declaration will not impact the interim accounting release process other than requiring the commercial importer to have release prior to payment privileges.
- There will be a change to the process for C-type entries. C-type entries must be submitted via the CARM Client Portal in order to obtain release of goods. A paper copy must be printed and presented to the CBSA and is accompanied by the same supporting documentation as is required today.
- In terms of timing, the requirement to submit your commercial accounting declaration is within 5 business days of release for goods imported through the commercial High-Value Shipment (HVS)/Low-Value Shipment (LVS) streams. The Commercial Accounting Declaration will be submitted and subsequently corrected or adjusted via the CARM Client Portal (CCP), Webservice, or Electronic Data Interchange (EDI). Only the Importer, or their delegated Customs Broker can submit a declaration, and make corrections, which are changes made prior to payment due date. Delegated third-party service providers are able to make adjustments, which are changes made after payment due date.
- In order to conduct business on behalf on the importer, third parties must be provided delegated authority via the CARM Client Portal.
- The CARM system will automatically calculate the duties and taxes owing, which is based on information provided in the Commercial Accounting Declaration (CAD). The total owing will be communicated back to the client via the CARM Client Portal, or EDI.

### Commercial Accounting Declaration - Corrections and adjustments

- With the Commercial Accounting Declaration, the concept of corrections and adjustments will provide Trade Chain Partners the opportunity to make changes to their declarations before and after the payment due date. We will focus on the high value and low value shipment streams – HVS and LVS - for this illustration.
- In the current state, within 5 business days of the release of goods, the B3 is due to the CBSA to account for the goods. In the event of a change being required, Trade Chain Partners submit paper B2 forms to request an adjustment to the original declaration. B2 transactions may incur interest charges.
- In the future state, Trade Chain Partners will submit their initial Commercial accounting declaration within 5 business days of the release of their goods.
- In the event a change is required to their original declaration - before the payment due date – the change will be made by way of an electronic correction, which creates a new version of the original declaration. This can be performed via Electronic data interchange or via the CARM Client Portal. As long as these changes are completed in time, they are interest-free.

- Changes made after the payment due date, are called ‘adjustments’, and these transactions will be subject to interest charges.

#### CAD, Corrections, & Adjustments - Key Takeaways

- The Commercial Accounting Declaration replaces the current B3/B2 process. Replacement of the B3 form will change the C-type entry process slightly.
- A ‘correction period’ will be introduced that will give importers and their delegated Customs Broker an opportunity to make interest-free changes between submission date of the commercial accounting declaration and the payment due date.
- The CARM system will automatically calculate the duties and taxes for a Commercial accounting declaration.

### 10. CARM Billing Cycles

- Along with the introduction of the Commercial Accounting Declaration (CAD) and the concepts of corrections and adjustments, CARM will introduce new billing cycles for Release 2 of the solution that will set the foundation to facilitate these key changes to managing accounting, as well as payment processes.
- The introduction of new billing cycles and alignment of payment due dates will address current complexities of revenue management for businesses and the CBSA. The need to manage multiple due dates for B2s, B3s, and miscellaneous fees will no longer be needed, making it easier for businesses to keep track of their importing transactions with the CBSA, and greatly simplify a client’s management of accounts receivable for trade chain partners.
- The following billing cycles and payment due dates will be affected by CARM:
  - High Value Shipments (HVS) / Low Value Shipments (LVS); Please note that LVS goods released in the regular commercial stream will follow the standard HVS billing cycle.
  - Courier Low Value Shipments (CLVS)
  - Continuous Transmission Commodities (CTC)
  - Customs Self-Assessment (CSA) Program
  - CBSA commercial invoices (e.g. NPAs, K23s, K32s) will be harmonized, in alignment with commercial invoice payment due dates

#### HVS / LVS Billing Cycle Overview

- Commercial Accounting Declaration (CAD) is due 5 business days after goods are released (Note: It is encouraged to submit as soon as information is available)
- Statement of Account (SOA) is generated on the 25<sup>th</sup> of calendar month 2 for all goods released between the 18<sup>th</sup> of calendar month 1 to the 17<sup>th</sup> of calendar month 2
- Payment due date is 10 weekdays from the 17<sup>th</sup> of calendar month 2 (i.e. the 18<sup>th</sup> of calendar month 2 is day 1) – note that weekdays include statutory holidays, but not Saturdays or Sundays
- Correction period is from CAD submission date to payment due date
- Adjustment period is from payment due date onward

#### CARM Billing Cycle - Key Takeaways

- Harmonized payment due dates will greatly simplify the management of accounts receivable for Trade Chain Partners.

- This should ease the administrative burden involved in managing multiple payment due dates, for varying B3s, B2s, and fees.
- For HVS / LVS goods, the Commercial Accounting Declaration (CAD) will be required within 5 business days of release.
- A new correction period will allow Trade Chain Partners to make interest-free corrections to your CAD.

## 11. Compliance

- Trade Chain Partners will have new capabilities to manage the compliance processes with the CBSA at Release 2 of CARM.
- Compliance activities will be executed using standard case management functionality through the CARM system.
  - This change will bring a new level of consistency to compliance processes, which will facilitate a standard and consistent experience when interacting with customs on compliance matters.
- The CARM system will be monitoring compliance alongside CBSA officers.
- Trade Chain Partners will be notified of compliance actions, with the ability to exchange correspondence with the CBSA officers and submit supporting documentation via the portal, as required. This will make managing communication with the CBSA more streamlined.
- Upon completing a compliance activity with the CBSA, the CCP will feature a high-level view of a client's compliance history, so Trade Chain Partners will be able to reference this information as they wish.
- Another key point related to compliance under CARM is that Administrative Monetary Penalties (AMPs) will be issued directly on the CARM Client Portal to Trade Chain Partners.
- Therefore, Trade Chain Partners who are registered to the CCP will receive the Notice of Penalty Assessment (NPA) through the portal, and will no longer require the paper NPA form.
  - However, if a client has not created their business account in the CCP, compliance correspondence will occur outside the portal, through a manual paper-based process. Therefore, if Trade Chain Partners want to gain the benefits of a simple electronic process, they must onboard to the CARM Client Portal.
- Finally, client profile information (e.g., addresses) can be quickly updated through the CCP, which will make it easier to maintain accurate information with the CBSA. Trade Chain Partners will no longer have to consult with the Canada Revenue Agency to make these changes to their account.

### Compliance - Key Takeaways

- Standard case management functionality for compliance activities will make interacting with the CBSA a consistent experience.
- AMPs will be issued directly on the CARM Client Portal. Trade Chain Partners who are registered to the CARM Client Portal will receive the NPA through the portal, and will no longer require the paper NPA form.
- Client profile information (e.g., addresses) can be quickly updated through the CARM Client Portal

## 12. Reporting and Data Extract Capabilities

- The CARM Client Portal will provide Trade Chain Partners with increased access to their importing data and transactions.
- The Portal will feature pre-defined reports, as well as two main reporting types:
  - **The first reporting type, Financial transactions**, features data such as the Transaction number, description and values of the posted financial transactions on an account.
  - The second type, **Declarations submitted**, features the Header, vendor and item data of the submitted declarations including calculated duties and taxes
- In order to extract and download reports, trade chain partners will follow a simple 3-step process,. Note that data reports are only available to Business Account Manager(s) and Program Account Manager(s):
  1. First the user selects a program account for which they need to download a data report.
  2. Next the user will personalize their data report by selecting an available report type and customizing the report content
  3. The last step is to Download the data report. The report will be accessible through Excel and most spreadsheet software.
- These reporting capabilities will enable Trade Chain Partners to pull FIRM report-like data on their own and provide ease of access to data which may not have previously been accessible.
- Data extraction will be nearly instantaneous, unless the data request is very large, which may require more processing time.

### Reporting and Data Extract Capabilities - Key Takeaways

- CARM Client Portal will feature pre-defined reports and two main reporting types.
- The data from declarations will only be available for declarations submitted post-Release 2, historical declaration data will not be accessible through the Portal.
- Data reports will only be available to Business Account Managers and Program Account Managers.