Canada Border Services Agency | Agence des services frontaliers du Canada

Trade Chain Partner Working Group (TCP WG)

DRAFT – FOR DISCUSSION PURPOSES ONLY

February 23, 2022

Canada

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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 <u>only calling in</u>, 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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Agenda

Topic	Speaker and Support	Timing
Technical Rules of Engagement	Kevin Horseman	9:00AM - 9:05AM
Opening Remarks / CARM Project Updates	Mike Leahy	9:05AM – 9:35AM
TCP Readiness Update	Candace Sider / Debbie Price	9:35AM - 10:20AM
Break		10:20AM – 10:35AM
Testing Overview	Carola Daffner	10:35AM - 11:05AM
TCP Portal Onboarding Update	Kevin Horseman	11:05AM - 11:15AM
CARM Experience Simulation (CES) Proposal	Kerri Schleppe	11:15AM – 12:00PM
Q&A / Roundtable	All	12:00PM – 12:25PM
Conclusion	Mike Leahy	12:25PM - 12:30PM

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Opening Remarks / CARM Project Updates

- Release 2 timing

- CARM Experience Simulation

- RPP/Financial Security

- CSA/CLVS Working Groups

- Cloud Security

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Follow Up Items From Recent Meetings

- Rulings Meeting

- BN requirement for Trade Shows

- CARM Testing Overview

- ECCRD

- Bond API Walkthrough

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Trade Chain Partners – State of Readiness

RPP (Release Prior to Payment Privilege) – Ongoing Issue

What is the plan for R2?

- Process mapping and overview required for financial instruments

How will bond/financial security information be loaded in the portal and by whom?

- Communication requires updating to eliminate conflicting information on the use of financial instruments; not limited to cash and surety bonds. Reference applicable D Memo, etc.

- Payment – In Progress *CBSA has reached out to TCP's and we owe information and time to discuss*

CARM - Industry TCP February 23, 2022
Trade Chain Partners - State of Readiness

R1 – May 25, 2021

- Status update to include uptake numbers, onboarding challenges (i.e. notifications not working).

Standing request to add number of bonds/financial security secured.

When can we expect to see the dashboards updated and provided to TCP's?

- Rulings module has visibility issue. Brokers/consultants losing access/visibility to original submissions and subsequent decisions of CBSA.

Requested confirmation and resolution January 23rd TCP meeting. When can TCP's expect resolution on this issue?

- Status update of ARL clean up and the number of accounts yet to be reconciled.

- Members of the TCP expressed concerns as it pertains to the Minister of Public Safety briefing on the CARM project and when can we expect the political authority to be in place to make a formal announcement and revised implementation strategy? *Lack of clarity is creating A LOT of confusion for TCP's and conflicting information in the marketplace.*

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Trade Chain Partners - State of Readiness

Technical Support – June 23, 2021

- What version of ECCRD is out and what are the plans for communicating revisions. Need a complete ECCRD with addendums capturing all revisions.

- CSA importers significantly impacted under CARM with eliminating X type entries and will not be in a position to the R2 go live date due to insufficient lead time to implement major changes.

  *When can TCP's expect to receive a **complete** ECCRD?*

- Inaccurate use cases in the ECCRD have been identified and require correction.

  What is the ETA to accomplish this ?

Regulatory Package- Outstanding Issue

- Respecting "Cabinet Confidence" industry 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. WCO data elements – level set understanding.
- CAD not feasible as presented.

  Is there an update on potential revision?

<u>CBSA Coordination</u> <u>Ongoing Challenge</u>

- working collaboratively to schedule meetings over the next couple of months on specific topics/scenarios and a CBSA Subject Matter Expert(s) participate. External consultants are welcome to participate as observers.
- Better oversight in scheduling meetings to ensure no conflict with other proprietary meetings with CBSA and/or industry events and large scale projects.

  Is there an update on coordinated efforts for future planning?

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Trade Chain Partners - State of Readiness

Operational Workflow – Work in Progress – New Additions

- Walkthrough of real scenarios. **Standing request since 2011**. Requirement to prioritize completion date as this impacts solution and TCP understanding of end state.
- A few scenarios presented to date and we acknowledge some progress.
When can TCP's expect to see further movement on this request?

- Provide option for carrier/broker to submit line item details with transmission to eliminate need to provide recap. How is the subset recap submitted? New

- API Limitations (Exchange Rate and Tariff) **New**
How will TCP's access? Identify limitation on returns and queries.

- Status update for Temporary imports (registered trade shows ***New***

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Trade Chain Partners - State of Readiness

Enterprise Risk & Corporate Security- NEW

- Industry concerns utilizing AWS platform and not a government cloud farm.

How can CBSA ensure protection of data?

Playbook required outlining how the agency and Deloitte will manage Enterprise Risk and Corporate Security.

- Business Continuity/Resumption Processes

- Business continuity plan – *What is the plan?*

Communication outreach and strategy.

What is the plan to notify TCP's there has been a breach of information?

Client Experience Simulation -NEW

- Review of testing plan May – September 2022 and intent to replace with Client Experience Simulation?

- *What are the parameters of this simulation ?*

- *How long is the simulation phase?*

- *How will end state demographics impact new R2 go live date?*

CARM PORTAL – NEW

- Portal affinity questions are cumbersome and difficult to provide the right response when there is more than one broker or the AR remains unreconciled.

Why is there another level of authorization required outside of the GAA between the broker and importer to work with CBSA to establish the CARM client portal?

- *Playbook required for CARM portal ;* portal screenshots and associated detail with how to use those screens. Illustrating cancelled CAD's, BCN changes etc.,

- Delegation of authority – concerns over the way the delegation is granted and cannot be segmented ie importer chooses to only provide customs broker authority to submit a CAD.

Purpose

- Provide an overview of R2 testing activities leading up to R2 go-live
- Explain objectives for the different test types

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Test types

- **Build & Unit Testing -- Completed**
    - Testing started during the solution build phase, when applications and environments were being prepared through configuration and development work to meet the business requirements defined during the Design phase.
    - During this phase, the CARM Solution Design Development teams conducted the technical unit testing and the CARM Solution Design Functional Teams completed the functional unit testing (FUT), aka string testing.
- **System Integration Testing (SIT) - Completed**
    - End to end business processes were tested by the project team through sequences of test scenarios and test cases.
    - System Integration Testing had three cycles (SIT1, SIT2 and SIT3), each with different scope and increasing complexity.

Test types

- **Performance Testing – In progress**
  - Is currently being executed in an environment that has the configuration hardware/setup configuration and data as close as possible to that of production to ensure the system's underlying technical architecture and processes are working at the SLA performance metrics defined in conjunction with CBSA.
  - Testing includes transactions and background processes and will simulate application load using virtual users and transaction load.

- **Penetration Testing – Completed**
  - Pen testing aims at discovering vulnerabilities that may have been missed by other technologies used in our security testing approach. It focuses on non-standard exploitation and tries to leverage weaknesses in the defined business process to impact the confidentiality, integrity or availability of the data.

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Test types

- **Operations Testing (Failover and Disaster Recovery Testing) – Part of Managed Services for production system, not part of the R2 project**
  - Will confirm the expected behaviors of infrastructure during outage events, disaster recovery situations, error events and monitoring events.

- **User Acceptance Testing (UAT) – In progress**
  - Comprehensive testing of the CARM solution by CBSA, leveraging the "a day in the life / a week" of business user type of scenarios emulating R2 business processes, and will confirm the solution meets the CARM business requirements.

- **Regression Testing – In progress and upcoming**
  - Will be performed throughout the testing cycles, using automated test scripts, where applicable, to ensure that the CARM Solution has not affected pre-existing functionality.
  - A dedicated regression test cycle will be executed close to go live.

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Test types

- **TCP Deep Cycle Testing – In progress**
  - Validate with a select set of TCPs that the solution and integration between CARM and TCP systems works correctly end to end.
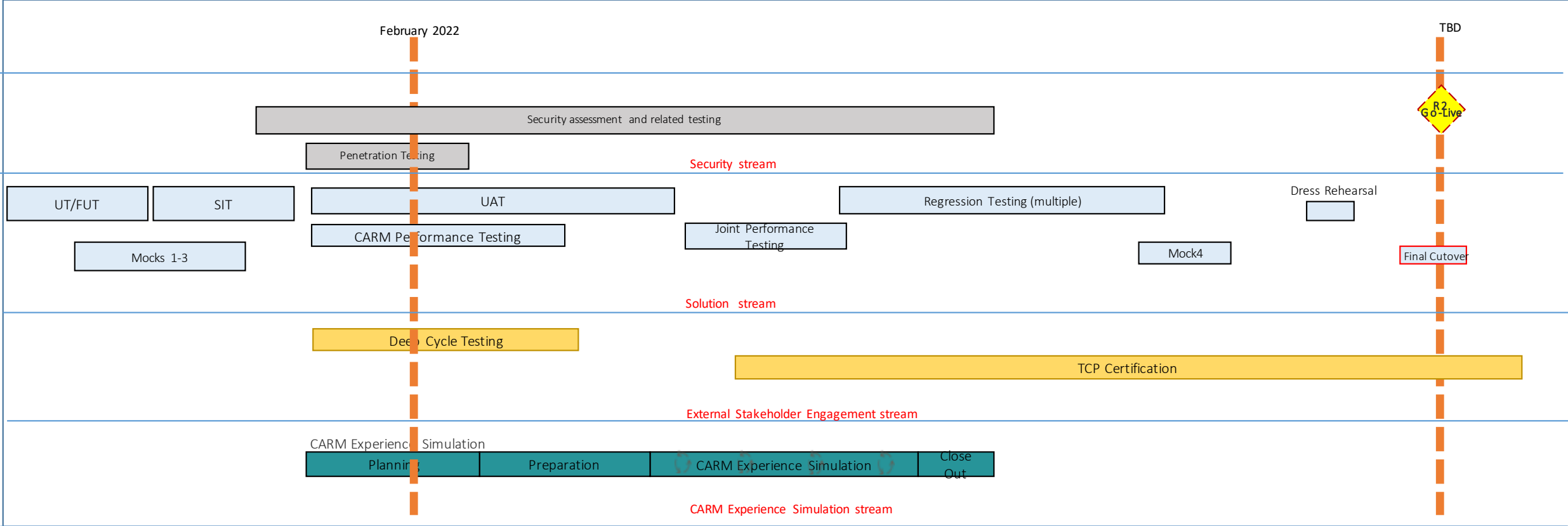
- **TCP Certification – Upcoming**
  - Will be performed to validate that TCPs who currently interact with the Agency electronically can continue to do so.
  - This will also be a process for TCPs that sign up for electronic submission post go-live.

- **Mock Cutovers – In progress**
  - Testing of the processes to move from the current systems to CARM R2 at the go-live.
  - This includes data conversion testing, manual and automated steps to be executed as part of go-live.

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Release 2 – Test Activities Timeline (not to scale)

February 2022

TBD

R2 Go-Live

Security assessment and related testing

Penetration Testing

Security stream

| UT/FUT | SIT | UAT | Regression Testing (multiple) | Dress Rehearsal |

CARM Performance Testing

Joint Performance Testing

Mocks 1-3

Mock4

Final Cutover

Solution stream

Deep Cycle Testing

TCP Certification

External Stakeholder Engagement stream

CARM Experience Simulation

| Planning | Preparation | CARM Experience Simulation | Close Out |

CARM Experience Simulation stream
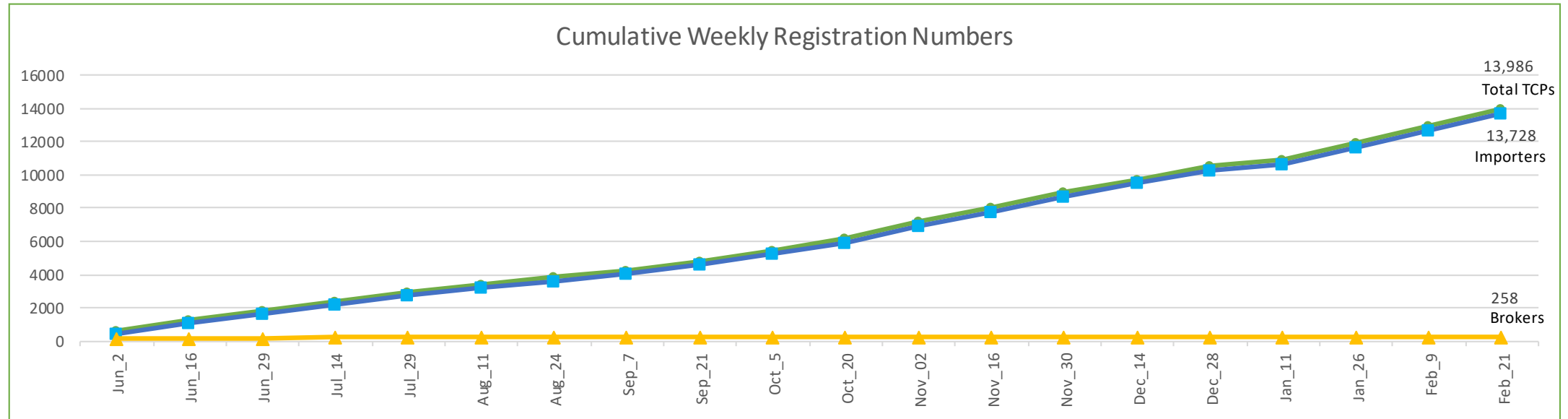
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Trade Chain Partner Portal Onboarding Status
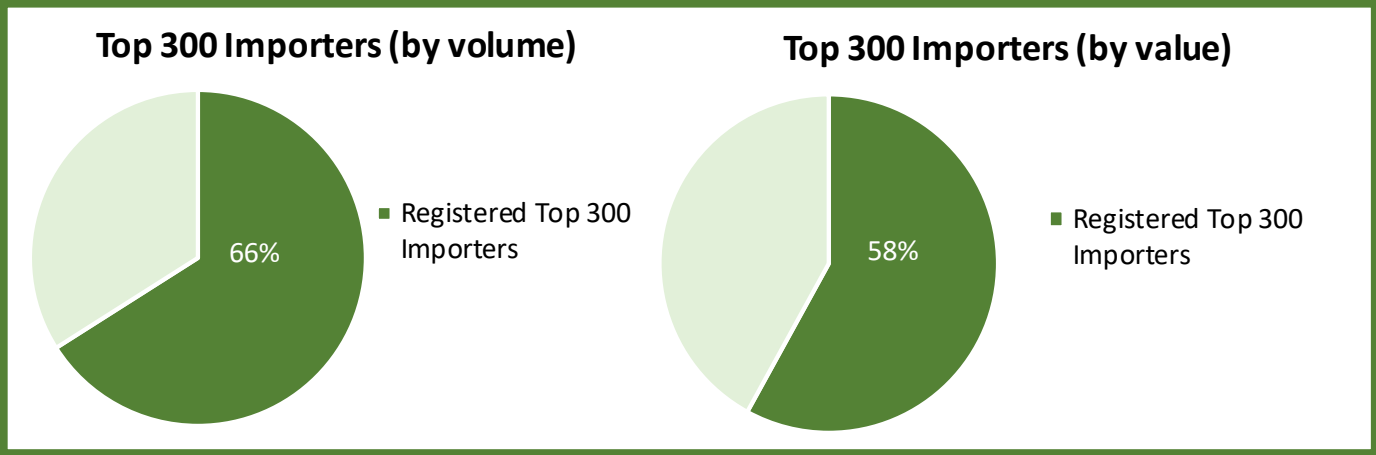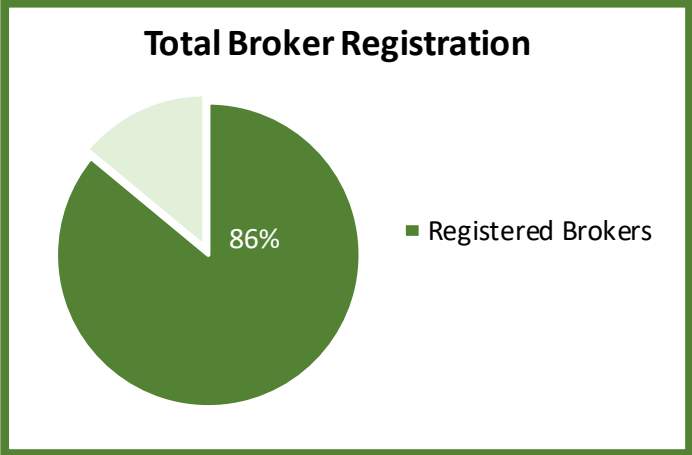
13,986 TCPs have registered on the portal to date

Cumulative Weekly Registration Numbers

	Last 2 weeks (February 9th to February 21st)	Prior 2 weeks (January 27th to February 8th)	Month over Month				YTD
			November	**December**	**January**	**February**	
All TCPs	1031	1016	1968	1565	1810	1654	13986
Brokers — All Brokers	2	0	3	1	3	2	258
Top 30 Brokers (value)	N/A	N/A	N/A	N/A	N/A	N/A	30
Importers — All Importers	1029	1016	1965	1564	1807	1652	13728
Top 3000 Importers (value)	48	44	178	71	86	74	1298
CSA Importers	76	0	1	2	0	0	76

Registration Numbers

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

Updated February 22nd, 2022

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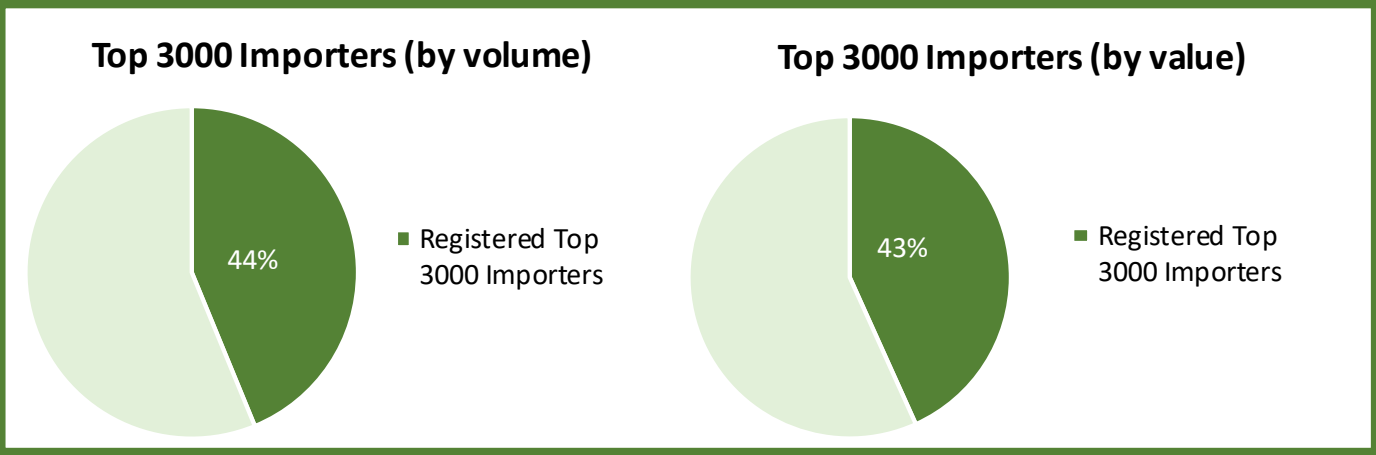
Trade Chain Partner Portal Onboarding Status

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

Total Broker Registration

86%
■ Registered Brokers

Top 300 Importers (by volume)

66%
■ Registered Top 300 Importers

Top 300 Importers (by value)

58%
■ Registered Top 300 Importers

Highlights

- With continued high attendance, onboarding webinars will continue until at least April 2022.

- Every week, there are 400-500 new TCPs registering to the CARM Client Portal.

Top 3000 Importers (by volume)

44%
■ Registered Top 3000 Importers

Top 3000 Importers (by value)

43%
■ Registered Top 3000 Importers

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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.
- * Monthly average did not include December 27th to January 3rd as it was a holiday period with 28 registration.

Purpose

- Introduce the CARM Experience Simulation concept
- Outline initial expectations of participating Trade Chain Partners
- Discuss the approach to identify and confirm participation
- Communicate next steps

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CARM Experience Simulation (CES)

What?

- Opportunity for a sample of representative Trade Chain Partners (TCPs) and CBSA business users to experience the high risk and complex business processes and system changes that CARM will implement in R2.

- Users will be able to explore simulated end-to-end, real-life scenarios to familiarize themselves with the target state processes and system.

Why?

- Engage "hands on" in CARM
- Strengthen and inform readiness activities
- Build confidence in solution and processes (CBSA and TCPs)
- Identify potential improvements

How?

- TCPs onboarded to CARM simulation environment in advance
- Simulation scenarios executed by TCP participants through a series of ~ 4 week sprints organized around TCP groupings with CBSA support (including training)
- Assess confidence at the start, work through the simulations & provide feedback, assess confidence at the end
- Share findings with the TCP Working Group and as key additional input to prepare for full launch

When?

- To be confirmed – currently targeting to begin in May 2022 through to October 2022 - will be sequenced to optimize participation

Scope Boundaries

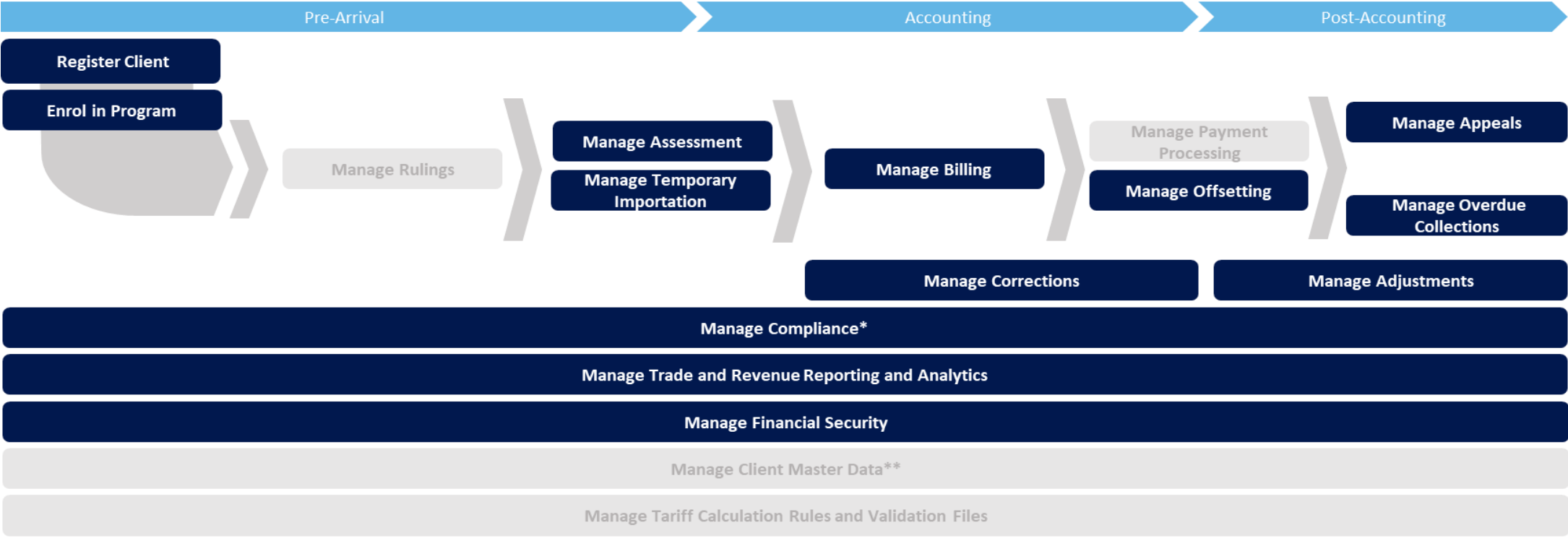| What IS in Scope |
|---|
| 1. Practicing the execution of complex and high risk business processes and associated enabling solution components in an end-to-end fashion |
| 2. Identification of suggestions to improve CARM (system and supports) |
| 3. Depersonalized/fictitious data |
| 4. Include both volumes and commodities representative of existing environment |
| 5. Include CSA and CLVS transactions |
| 6. Simulated time lapses for time dependant processes |
| 7. Communication and training for participants |
| 8. Client and end user support |

What is NOT in Scope
1. Not an open sandbox
2. Not supporting an unlimited number of participants
3. Will not focus on processes/capabilities deployed in R0 and R1
4. Registration and Temporary Importation processes*
5. Active production transaction data and activity (looking to take a copy and mask data)
6. Integration points with non-CARM CBSA and OGD systems
7. Transfer of payment or commitment against posted bond
8. Commitment to implement suggested system changes prior to R2 implementation**

* Temporary Importations are small volumes, avoid paper based process at POE
**risk based: any critical defects will be addressed; enhancements/suggestions will be prioritized fro future releases

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Processes for Inclusion in the CES

CARM enables 17 core processes that facilitate the accounting, collection of duties and taxes, and compliance of commercial goods released into Canada. **Release 2 encompasses the 13 fully implemented core-CARM processes presented below**

Pre-Arrival	Accounting	Post-Accounting

Register Client
Enrol in Program
Manage Rulings
Manage Assessment
Manage Temporary Importation
Manage Billing
Manage Payment Processing
Manage Offsetting
Manage Appeals
Manage Overdue Collections
Manage Corrections
Manage Adjustments
Manage Compliance*
Manage Trade and Revenue Reporting and Analytics
Manage Financial Security
Manage Client Master Data**
Manage Tariff Calculation Rules and Validation Files

- For the simulation, we are proposing to include the 13 new Release 2 processes with the following refinements:
- ADD Warehouse Inventory
- Proposing NOT to include:
  - Register Client: Participants will already be registered
  - Manage Temporary Importations: Avoid need to simulate in-person visit to POE

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Expectations

ENGAGED SAMPLE OF TCPs

- TCPs who are keen to participate, learn and help prepare to deliver CARM successfully
- TCPs who are viewed as influencers in helping to build confidence in advance of full implementation
- Variety of representative TCPs
- It is expected that TCPs will be required to sign a "waiver" acknowledging how data will be used, and that the simulation is for experience purposes only – the transactions/interactions are not binding
- Participants must agree to share results of the simulation with CBSA and TCP WG,
- Will participate in surveys and feedback processes throughout their involvement in the simulation.
- Complete CARM Client Portal registration (including any required delegation of authority), ideally by April, 2022
- Be ready to test EDI and/or API connectivity (if applicable) between May and October, 2022

DEDICATED CBSA SUPPORT

- Capacity to be dedicated to the experience simulation including a dedicated simulation team, client support and "model office" representing implicated CARM business process areas in order to simulate the end-to-end experience

REAL-LIFE SCENARIOS

- Combination of pre-seeded data (where needed) and TCP "in the moment" data to simulate the experience
- Ability to "explore", within boundaries where there are CBSA back-end manual processes

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Developing the TCP Participant Roster

IDENTIFY   **SELECT***   **CONFIRM**

Open Call for
Volunteers*
(*brokers to work with a small
number of their importers for
active participation*)

- If more volunteers than expected, will use a lottery approach

- If less diversity than desired, will engage in targeted outreach to the community

Confirm participating TCPs

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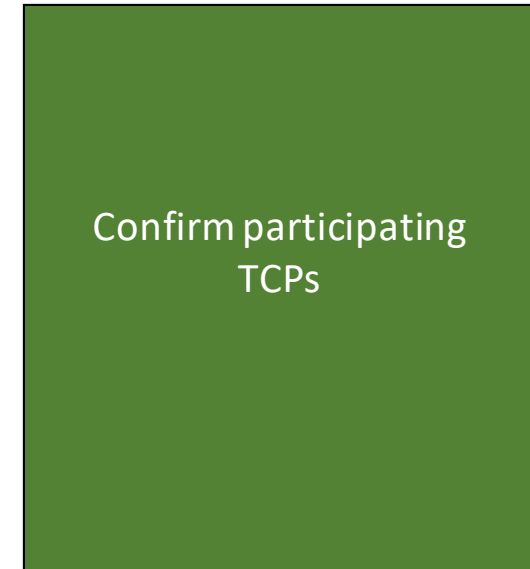
*See proposed TCP participant distribution on next slide

TCP Representation in the CARM Experience Simulation

Stakeholder Group	Key Considerations	Proposed Number of TCP Participants
Brokers **(Large)**	• ~300 total brokers (large-med-small) • ~30 represent the majority of transactions • 10% of the top 30 brokers would be 3 brokers then allowing for the different major service providers. • Brokers with CSA and CLVS Importer clients will be important. Expeditor covers ~30% of the CSA community and they have expressed initial interest to participate.	~10
Brokers **(Small-Medium)**	• ~300 total brokers (large-med-small) • Aim for volunteers from the bottom 10 of the annual A/R list • Similar to large Brokers, aim for Brokers with different service providers • Aim would be for the same level or higher number of participants to the large Broker category because the smaller Brokers would likely have less complex or standardized processes. More participants would allow for more variation in views and practices to be considered.	~10
Importers **(Large)**	• ~658 Importers have annual A/R above $1M. 10% of this group would be 66 participants • ~75 would provide enough variety in the group that the broader TCP community could feel represented that 'an organization like them was involved' • For the minimum number of representatives to include from an internal confidence perspective, this could be a group of experienced, engaged and insightful representatives • CSA and CLVS Importer representation will be important.	~75 5 without brokers 70 with their broker (3-4 from each)
Importers **(Small-Medium)**	• ~257,000 Small-sized importers (<$100k annual A/R). ~5,277 Medium-sized Importers ($100k to $1M annual A/R) • Mix of RPP and Cash clients within Small-Medium Importers. • Important to include Importers without a Broker. • Cross-country representation would be valuable (7 regions).	~50 10 cash importers 40 with their broker (2 from each)
NRIs	• Similar scenarios would be tested by NRIs as the large Importers. • Smaller stakeholder group therefore a smaller number of participants.	~5
Surety Providers	• Representation from the various industry types for financial security (surety, banks, etc.)	~10
Carriers	• Aim for representation in all the major modes of transportation.	~20
CBWs	• Aim for representation in different industries. • Many CBWs will also be Importers and will test many of the Importer scenarios as well.	~20
TCP Total		~200

Draft Timeline

1 FINALIZE TCP PARTICIPANTS
- Mix of participants selected

Target: Mid-March

2 MOBILIZE
- Finalize scenarios
- Technology environments set up
- TCP packages distributed

Target: End-April

3 ONBOARD & DRY RUN
- Confirm EDI/API connectivity
- Confirm environment access
- Small sample dry run

Target: Early-June

Simulation Launch

4 EXECUTE SIMULATION SPRINTS
- Training
- Simulation execution
- Retrospectives/feedback

Target: End-September

Simulation Done

5 CLOSE OUT
- Compile results and input from the simulation
- Communications with TCP Working Group
- Input to final preparations for R2 implementation

Clouse Out Complete

Target: End-October

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Key Working Assumptions

- Participants will have registered on the CARM Client Portal, with Delegation of Authority established, prior to the cutover of data from production (date to be confirmed) to the simulation environment

- New and updated User Guides will be available to support preparing for the simulation

- There will be no after-hours client support of the simulation

- Any escalated technical issues/problems will be addressed by the CARM solution team. The full Managed Services environment for R2 will not be activated

- Confidentiality of broker/importer relationships will be maintained

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CARM Experience Simulation Oversight

- Leverage existing CARM Project oversight and governance mechanisms

- Include as standing agenda item for upcoming TCP Working Groups

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Q&A Period/Roundtable

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

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