Teleconference Technical Guidelines

- Call in to the meeting by dialing the number provided in the invitation.

- Please mute your phone by pressing *6

- To unmute your phone press *7 and join the discussion, it is helpful for participants if you can identify yourself before speaking

- Once you are finished speaking, please mute your phone again by pressing *6

- To answer an incoming call, please hang up the line and call back into the meeting. Putting the call on hold may cause the group to hear background music or beeping.

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Agenda

Topic	Speaker	Timing
Technical Rules of Engagement	Kevin Horseman	9:00AM – 9:05AM
Opening Remarks	Lisa Anawati	9:05AM – 9:10AM
Recap of January TCP WG Session / Outstanding Items Update	Kevin Horseman	9:10AM – 9:40AM
Customs Bonded Warehouses	Jonathan Hopkins / Carola Daffner	9:40AM – 10:30AM
Health Break		10:30AM – 10:45AM
ECCRD Update	Carola Daffner	10:45AM – 10:55AM
Document and Record Management	Carola Daffner	10:55AM – 11:25AM
SKU Discussion	All	11:25AM – 12:00PM
Lunch		12:00PM – 12:30PM
NRI and One-Time Importer Walkthroughs	Jonathan Hopkins / Carola Daffner	12:30PM – 1:30PM
Process for Mass-Adjustments	Jonathan Hopkins / Carola Daffner	1:30PM – 2:15PM
Health Break		2:15PM – 2:30PM
Pre-CARM Adjustments	Jonathan Hopkins / Carola Daffner	2:30PM – 3:00PM
CARM Communication and Engagement Update	Kevin Horseman	3:00PM – 3:30PM
Roundtable and Conclusion	Lisa Anawati	3:30PM – 4:00PM

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Recap of January TCP WG Session

- CARM provided an overview of R0 Regression Testing and R1 Testing Plans

- CARM highlighted some of the outstanding items, including: BN Changes, C-type entries, finalizing details of Financial Security, and more.

- CARM provided an update on disbursements, highlighting the Agency's finalized solution

- CARM provided a walkthrough of the process for Temporary Importations

- CARM gave a preview of the upcoming external communications products

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Outstanding Items Update

The following is a list of outstanding items that will be discussed at upcoming TCP WG sessions. This list is not exhaustive, but highlights key topics of discussion that the project is working on.

- Assessment/ corrections/ adjustments for CSA
- **Working with historical data (i.e., adjustments to pre-CARM data) – to be discussed today**
- BN Changes
- CLVS
- C–type Entries
- Definition of accounting date
- APIs
- Delegation of Authority end-to-end walkthrough

- **SKU – Additional discussion today**
- Voluntary Entries
- **Warehouse Entries – to be discussed today**
- ☑ **Cash bonds by credit card payment**
- ☑ **Finalizing details of Financial Security**
- Transition planning
- **Process for Mass Adjustments – to be discussed today**
- VI/VTA

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Customs Bonded Warehouses
There are six (6) type codes for EDI bonded warehouse declarations

Under CBSA's trade incentives program, goods may travel into, out of, or between customs bonded warehouses when entering or exiting Canadian borders.

Type 10
"Warehouse In"

Type 30 (Out)
"Transfer of Goods"

Type 13 (In)
"Re-Warehouse"

Type 20
"Ex-Warehouse for Consumption"

Type 21
"Ex-Warehouse for Export"

Type 22
"Ex-Warehouse for Ships' Stores"

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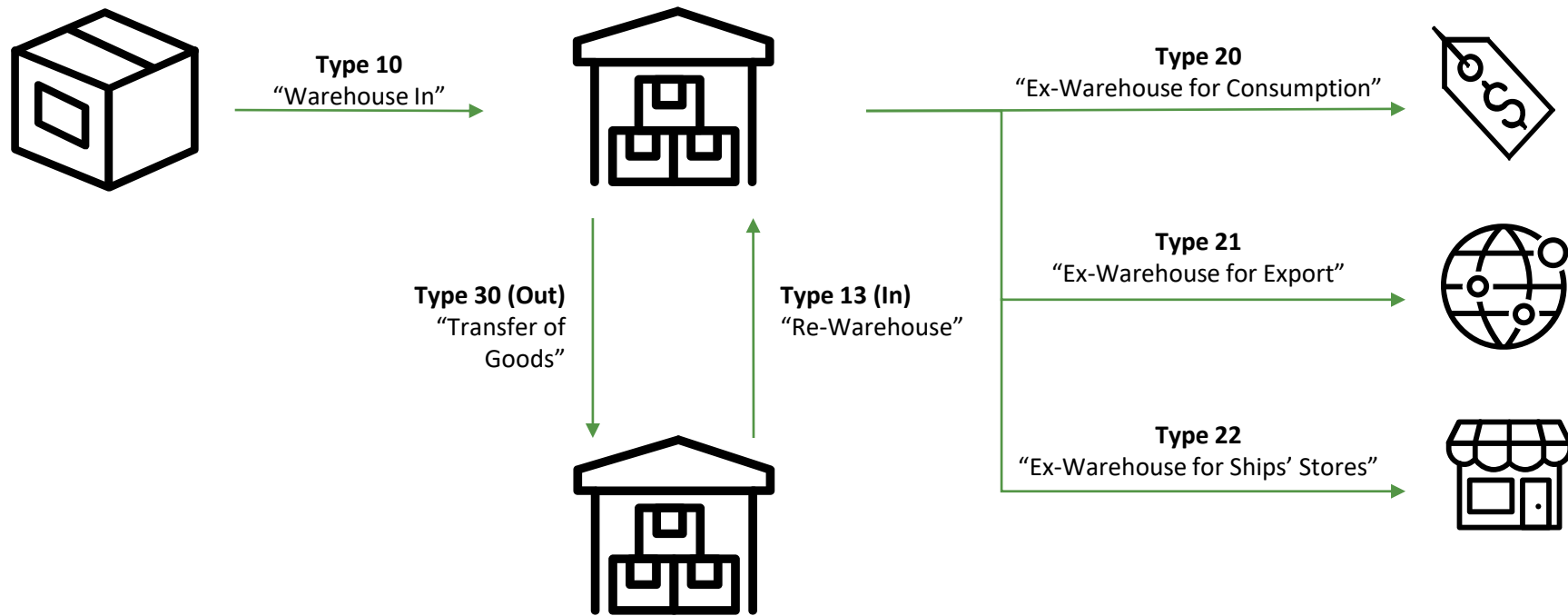
Technical Change Overview

All movements in or out of a customs bonded warehouse are accompanied by a CAD

The CARM system has coded existing bonded warehouse rules and declaration type codes into its system. Although most rules surrounding bonded warehouse records have not changed, the more significant changes include:

Goods tracked at the transaction level

Each goods issue (Type 20, 21, 22 and 30) is linked to its corresponding goods receipt (Type 10 or 13)

All applicable CAD fields are required for all bonded warehouse type submissions

Including fields for duty and tax calculations

New CAD ECCRD submission date requirements

New fields to self-declare expected and legislated storage time

i.e. for spare parts, beer and wine, trade shows and other items

New "Warehouse Sub-type" reporting field

New validation rules

Including time limits for storage and available quantity

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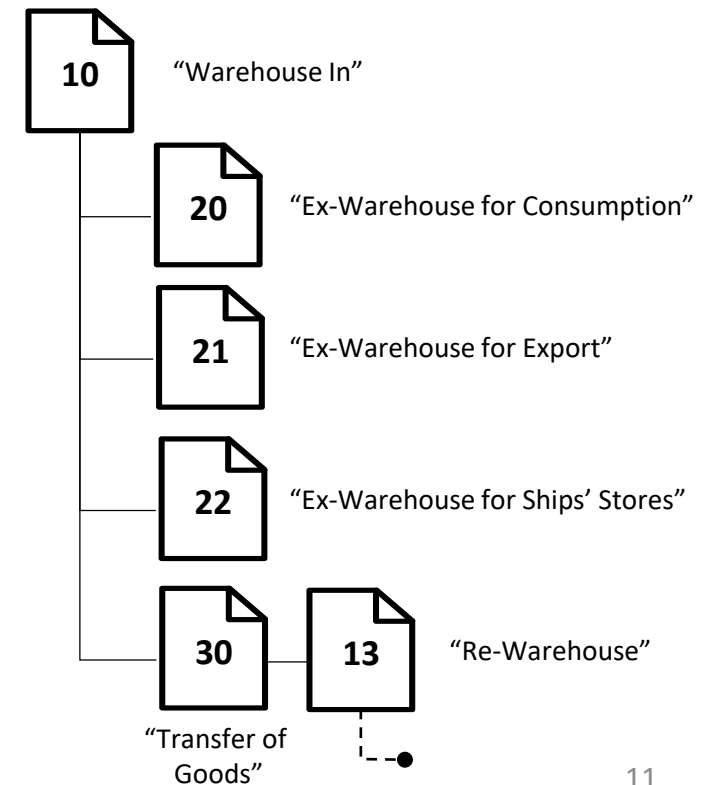*** Draft concepts are provided for discussion and are subject to change ***

Technical Change Overview
Each goods issue is linked to its corresponding goods receipt

Bonded warehouse types are **interconnected**, with type 10 "Warehouse In" submissions acting as a root declaration

Goods issue (Types 20, 21, 22 and 30) **maintain reference** to previous declarations

Declaration Link Illustration

10	"Warehouse In"
20	"Ex-Warehouse for Consumption"
21	"Ex-Warehouse for Export"
22	"Ex-Warehouse for Ships' Stores"
30 **13**	"Re-Warehouse"
"Transfer of Goods"	

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Technical Change Overview
New validations improve compliance and data quality

Adjustments & Corrections	• Declaration details independent from changes to quantity or date will be validated for consistency • Updates to such details must first be made through a correction/adjustment to the type 10
Available Quantity	• Cannot consolidate multiple goods receipts into a single goods issue • Cannot remove more goods from bonded warehouse than was brought in on goods receipt • Cannot submit adjustments or goods issues that may result in a goods receipt balance less than 0
Header-Level Previous Transaction Number	• Previous transaction number moved up to Header Level • Previous line number will remain on CAD • Every goods issue can only reference one goods receipt
Self-Declared Time Limit Type	• Time Limit Type is self-declared at the line level, indicating the max time goods can legislatively be stored

For the Self-Declared Time Limit Type:

15 years – Spare parts not intended to enter the economy*	5 years – Beer and wine*
4 years – All other items*	90 days – Goods for marking or display*

• Goods that surpass the legislated time limit will be flagged for compliance
• If a time limit extension is granted, the corresponding time fields will require updates**

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* Per *Customs Bonded Warehouses Regulations SOR/2003-241, s. 7.*

**The technical solution is currently being determined to make these changes

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Recap of ECCRD Feedback To Date

- Draft elements of the CARM ECCRD were released for TCP review and feedback on January 31st

  - Elements under development related to the CARM solution (such as CLVS, CSA, Pre-CARM Adjustments, Service Channels) were omitted from the January 31 version; as these elements are finalized, they will be documented in future iterations of the draft ECCRD

- The CARM ECCRD is subject to amendments after the publication of the Final Draft as TCP engagement continues and design, build, and test activities occur

- Draft elements of the ARL ECCRD will be released for TCP review and feedback in early March

- To date, 90+ TCP comments have been received on the CARM ECCRD, concentrating on:

  - Document structure, formatting, and accessibility within the ECCRD document

  - Functions not supported by EDI (specific CAD Types, specific HS code classifications)

  - Field-specific values and lengths for currency codes, CBSA Office Codes, Place of Export, etc.

  - Inquiries on CARM elements under development (CLVS, CSA, Pre-CARM Adjustments, Service Channels)

- A supplemental TCP TWG Q&A database has also provided 160+ responses to TCP questions throughout the ECCRD engagement cycle

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Document Management

OpenText is the selected document management tool for the new CARM solution.

One Point of Access
The CARM Client Portal (CCP) will permit TCPs to manage their business account information and perform various **TCP business transactions**, including **uploading and retrieving documents**.

Single Source of Truth
The OpenText platform is the main repository for documents in CARM; all content (internal and external) will be centralized in one location to ensure a **single source of truth for the CBSA**.

Information Governance
OpenText will provide the functionality to consistently **enforce and manage records retention schedules**, **corporate governance**, and **regulatory compliance policies** for all content types in accordance with CBSA Information Management Policies.

CARM Systems Landscape

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Document Management – Architecture

Trade Chain Partner (TCP) Ω	**Internal CBSA** Ω

Users

CARM Client Portal	Internal Portal

User Interface

Hybris	**S/4 HANA** (CRM, TRM Forms, PSCD, FSCM, FI, BRF+, GRC)

SAP

Business Workspaces

OpenText Content Server

OpenText Archive Centre

OpenText Extended Enterprise Content Management Platform for SAP

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Document Management – Scenarios

Document management in CARM will take place during two core scenarios across TCP business transactions (e.g. Enrolment, Commercial Accounting Declaration (CAD), Rulings, Appeals, etc...):

TCP Document Upload
Trade Chain Partner (TCP) uploads a document to the CARM Client Portal.

TCP Document Retrieval
CARM system-generated documents will be stored in OpenText and available for TCPs to view.

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TCP Document Management Flow in CARM: CAD adjustment submission example
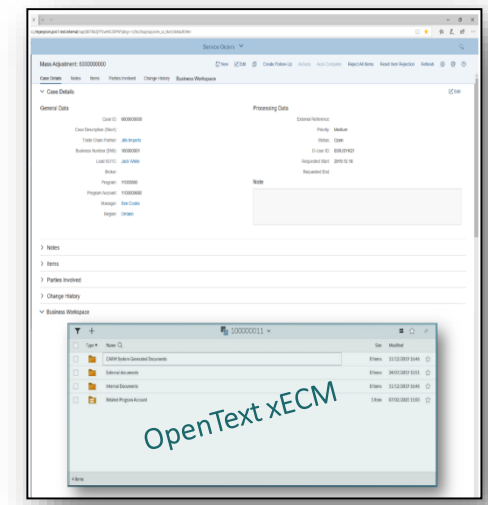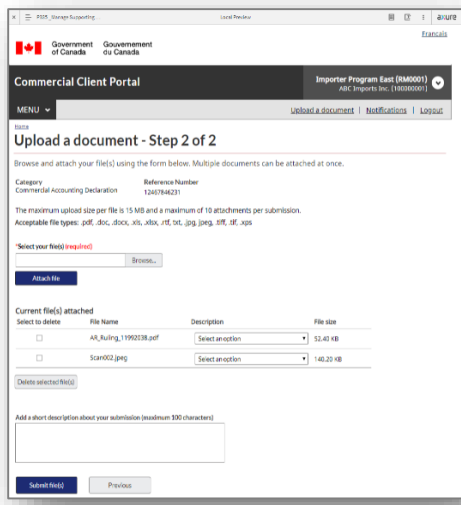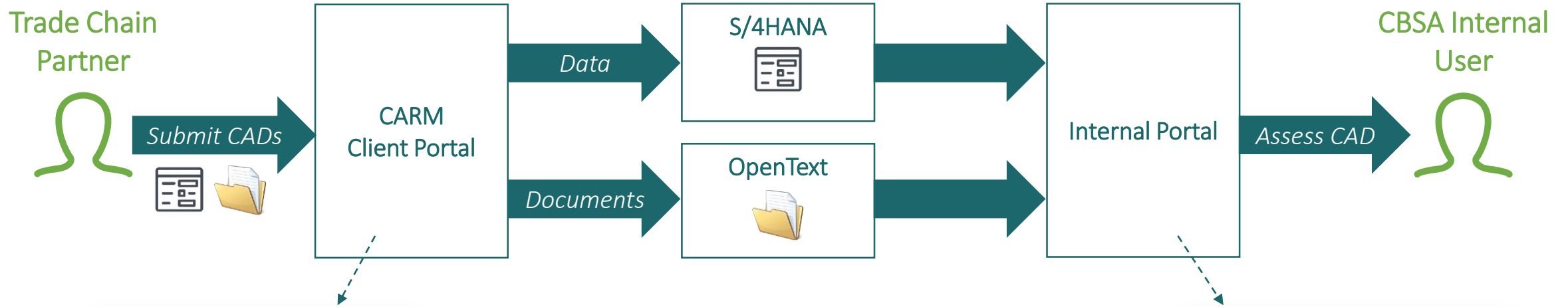
TCP Document Management in CARM – Design Features

Maximum Size
The maximum number of files a TCP can upload per submission is 10 files, which each file not exceeding 15MB.

Naming Conventions
Naming conventions, as outlined by CBSA Business, should be followed when uploading documents to increase their findability in CARM.

Document Integrity
Documents cannot be edited or deleted by a TCP once submitted. This is to ensure the integrity of the documents uploaded.

Metadata (Tagging)
TCPs will be able to select a document types from a drop-down menu.

Viewing Documents
TCPs will be able to view a list of the file names previously uploaded and their file size; they will *not* be able to download the document and view its contents.

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Document Management Capabilities in CARM

Security

Documents are transmitted from the CARM Client Portal (CCP) to OpenText Content Server using an **encrypted channel**.

Access Controls

Access to documents in OpenText will be controlled through **role-based security** to limit visibility to only CBSA users who require the information to perform their job function.

Audit Trail

Standard features of OpenText include **document traceability history** (i.e. who created, viewed, or modified a document).

Document Migration

Already-existing TCP documents will be migrated into CARM to enable the **continuity of pre-CARM business transactions**.

Information Management Lifecycle

The OpenText Records Management module ensures **compliance with external regulations and internal policies** by managing the retention and disposition of content.

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SKU Discussion

Canada

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CARM and SKU

Why is the SKU not included in the CAD design?

- CARMs scope is focused on transforming commercial assessment and modernizing revenue management processing

  - SKU is not a key data element required to support accounting of goods

  - Significant impact to CARM solution design as well as costs to industry associated with increased message size due to:

    - Increased complexity to CAD Form design

    - Increase to CARM system sizing to accommodate additional fields/lines and the larger XML payload

    - Increased complexities for APIs, reporting and CARM Portal to expose the SKU information to the TCPs

- CBSA will consider integration of SKU into CARM as part of the transition to a Single Import Declaration model in future releases

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NRIs and One-time Importers Follow the Standard CARM Processes

Non-resident importers (NRIs) should obtain a BN15 and follow the standard CAD process. One-time importers can either obtain a BN15 or contract a customs broker or CLVS participant to transact on their behalf

- The CAD submission process is the same for NRIs and one-time importers; however, the importer business number (BN) used on the declaration may differ

  - **NRIs are required to quote their own BN15**

    - All declarations and subsequent transactions will be related to their importer BN15
    - NRIs will be liable to make payment to the CBSA and will be responsible for any future adjustments or appeals under their importer BN15

  - **One-time importers may quote their own BN15 <u>or</u> can contract a customs broker or CLVS participant to import on their behalf using the importer BN15 of their customs broker or CLVS participant**

    - If the one-time importer chooses to use a customs broker or CLVS participant, the customs broker or a CLVS participant will be liable to make payment to the CBSA

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NRI requirements

All NRIs must hold their books and records in Canada to obtain a BN15 and entry into the Importer program

All NRIs must register and enrol on the CARM Client Portal (CCP), and meet the program requirements, which include:

✓ **Holding their books and records in Canada**

- Given that many NRIs do not maintain a place of business in Canada, they may designate a licenced customs broker, accountant or other authorized agent to maintain their records in Canada for them
- NRIs must submit a request to the CBSA requesting permission to maintain their records elsewhere which must include:
    - The address where the records will be maintained
    - How the location relates to the importer (e.g. accountant's office)

✓ **Possessing a BN and program identifier (RM)**

- If the NRI has been authorized to maintain their records elsewhere, they can obtain a BN and RM (BN15) through the importer enrolment process on the CCP

✓ **Posting financial security (for Release Prior to Payment (RPP) privileges only)**

- NRIs are encouraged to obtain Release Prior to Payment (RPP) privileges by posting financial security with the CBSA

- CARM will facilitate NRI registration and enrolment via the CCP for the Importer and RPP program

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One-time commercial importers

Clients who cannot or do not wish to enrol as a commercial importer can import goods into Canada via their customs broker or the CLVS program

One-time importations can occur one of two ways:

1. **A client who wishes to import goods into Canada can complete registration on the CCP, enrol as an importer and obtain an importer BN15, and submit a CAD to obtain release at the border (currently a C-Type B3)**

2. **A customs broker or a CLVS participant can utilize their importer BN15 to submit Commercial Accounting Declarations (CADs) for one-time importations**
    *   The customs broker or CLVS participant will submit a CAD via the CARM Client Portal (CCP) or via Electronic Data Interchange (EDI) quoting their importer BN15
    *   The customs broker or CLVS participant will be liable for payment of the declaration
    *   The process would be the same as the process for HVS/LVS or CLVS depending on the importer BN15 and the value of the goods

*   While CARM is transforming the accounting of commercial goods, the ability for a customs broker or CLVS participant to bring in goods on behalf of a one-time importer does not change.

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Additional questions?

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Process for Mass-Adjustments

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Process for Mass-Adjustments

- In previous meetings we presented the solution for mass adjustments via the CARM Client Portal (CCP).
  - Steps include the case creation, selection and adjustment of impacted CADs, submission of the package, review by CBSA officer and any required notification

- TCPs have requested a mass adjustment option via EDI that allows for grouping of transactions that belong to a mass adjustment

- The CARM team is currently considering the following solution:
  - TCP creates a mass adjustment case on the CCP and will receive a case number
  - The case is created in the CARM internal system
  - TCP processes the relevant adjustments in their systems as individual adjustments, entering the case number into each transaction
  - CARM rule engine will process the transactions and link them to the CARM case to be reviewed by an officer as a group, using the internal portal.

- Next steps
  - CARM needs to clarify some outstanding questions around the solution, mainly related to the internal linkage of the CAD transactions to the case and associated workflow process.

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Pre-CARM
Adjustments

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Pre-CARM Adjustments
Overview

- Pre-CARM adjustments are changes to B3s submitted prior to CARM Go-Live which are used as a baseline for future adjustments in the new solution

- A proposed pre-CARM adjustment solution is based on the standard CAD model and process, where TCPs will be required to submit an additional CAD to establish "as declared" amounts owing on adjustment submissions

- TCPs will need to provide B3 Transaction, Sub Header, and Commodity Line numbers for all lines

- CBSA is looking to solicit TCP feedback as it defines the to-be solution to support pre-CARM adjustments

*A dedicated **Pre-CARM Webinar** will be organized once the solution is finalized.*

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Pre-CARM Adjustments
Proposed Changes

	Pre-CARM	Post-CARM

Adjustment Submissions	• TCP submits Adjustment to B3 in CAD
	    o **Two** submissions required
	    o **Modified** CAD format
	    o **All lines** submitted
	    o Duties, taxes and interest values calculated **by CBSA (based on values provided by TCPs)**
		• TCP submits Adjustment to CAD
		    o **Single** submission
		    o **Standard** CAD format
		    o **All lines** submitted
		    o Duties, taxes and interest values calculated **by CBSA (based on values provided by TCPs)**

Adjustment Validations	• CARM validates adjustment submission
	    o **Modified** CARM validation rules
	    o Valid request generates CAD adjustment version to facilitate **delta calculation** posting to SOA
		• CARM validates adjustment submission
		    o **Standard** CARM validation rules
		    o Valid request generates CAD adjustment version to facilitate **delta calculation** posting to SOA

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Pre-CARM Adjustments
Excise Duty, Excise Tax and SIMA

| EXCISE DUTY, EXCISE TAX	• TCPs must provide the values to support the calculation in the "As Declared" and "As Adjusted" submissions • CARM will calculate excise duty values based on inputs provided by TCPs
SIMA, SURTAX, SAFEGUARDS	• TCPs must calculate SIMA values and submit in the following fields on "As Declared" and "As Adjusted" submissions 　o SIMA Countervailing Amount 　o SIMA Antidumping Amount 　o Surtax Amount 　o Safeguard Amount

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Pre-CARM Adjustments
CARM will become the source of truth for subsequent adjustments

- New adjustment versions will be created in CARM for each new change

- All changes and versions follow standard CARM adjustment flow (i.e. *single submission*)

- Amounts due/owing will be calculated based on previous CARM versions

- TCPs will specify the lines to be adjusted when submitting

- *Note:* CCS historic data will no longer be utilized to support processing the transaction
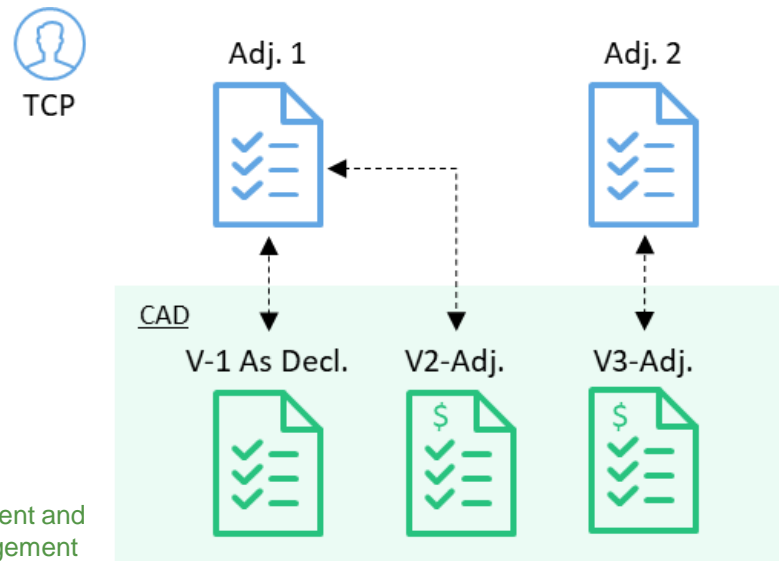
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Updated TCP WG Activity Calendar

The following outlines the high-level schedule for the upcoming 3 months of TCP WG activities, including other relevant CARM TCP engagement activities.

Month	Activity	Date	Location
March	Monthly Call	March 4 (Propose Cancel)	Webinar
	Multiple CARM Presentations (Welke CBs, Magna, APMA, Expeditors (2 sessions))	March 10-11	Toronto / Vancouver
	ECCRD Feedback Webinar	March 18	Webinar
	Consultation Session	March 25 (TBC)	Ottawa
	Deep-Dive Session (covers February and March)	March 31 (TBC)	Webinar
April	Live Webinars for CARM Ambassadors	April 7- 16 (TBC)	Webinar
	Monthly Call	April 8 (TBC)	Webinar
	Presentation to Ontario Produce Marketing Association	April 14	Toronto
	Consultation Session	April 22 (TBC)	Toronto
	Presentation to Expeditors	April 23	Calgary
	Presentation to AICBA	April 28	Niagara-on-the-Lake

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Additional questions?

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Roundtable and Conclusion

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Thank You!

For more information:

- Visit the CARM CBSA website
- Email: CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca
- Follow CBSA social media accounts: Facebook (Canada Border Services Agency) and Twitter (@CanBorder), and LinkedIn (join the CBSA Assessment and Revenue Management group)

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Appendix

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DRAFT

Questions & Answers

Question	Answer
Can a bond cover multiple divisions within the same company?	Each legal entity requires its own business number and will therefore require a bond to cover each individual BN. For example, if company has multiple RM accounts, the company can obtain a bond at the entity level (the BN9) to cover all RM accounts. If company has subsidiaries (each with a unique BN), multiple bonds will be required.
Are there circumstances where a change after release is not allowed? What if there is a tariff change that affects PGA data that was not provided at release. Can PGA data be versioned with cha+C519+C520	Changes to the transaction number will not be allowed. Changes to the Special Import Measures Act (SIMA), safeguard, or surtax fields will not be allowed if already declared (i.e. the fields are populated). This requires an appeal. If a change demonstrates non-compliance with the CBSA's administered legislation, regulation or program requirements (including OGD requirements), compliance actions (e.g. AMPS) will be initiated. CARM does not interface with the Single Window Initiative, and therefore does not change the commercial import data shared with PGAs.
Can we make BN changes in the versioning?	Filer information can be changed by importers to create a new version, but importer information cannot be changed via the CCP. Filer is used for the third party like brokers and consultants.
Within a correction period, can multiple corrections be made on the same data element?	Yes, a TCP can make corrections on the same data element, which will create a new version.

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