



Canada Border
Services Agency

Agence des services
frontaliers du Canada

Trade Chain Partner Working Group (TCP WG) Consultation

August 22nd, 2018

Canada

CARM | CBSA Assessment and
Revenue Management

DRAFT

Purpose

- Today's meeting is intended to share early thinking emerging from the CARM Project. The purpose of the meeting is to provide a forum for consultation with the Trade Chain Partner community.

Today's agenda

Topic	Content	Timing
Introduction	<ul style="list-style-type: none"> Objectives and expectations Overview of discussion topics 	10:00-10:10am
Billing	<ul style="list-style-type: none"> Potential future state process for automated billing Potential future state for the billing cycle Conceptual system solution 	10:10-11:15am
Inter-program offsetting	<ul style="list-style-type: none"> Potential future state for inter-program offsetting Discussion of potential implications Conceptual system solution 	11:15-12:00pm
Lunch		12:00-12:30pm
Payment processing	<ul style="list-style-type: none"> Future state payment methods Discussion of potential implications Conceptual system solution 	12:30-12:45pm
Overdue collections	<ul style="list-style-type: none"> Potential future state for overdue collections 	12:45-1:00pm
Compliance	<ul style="list-style-type: none"> Potential future state for facilitating compliance Potential future state for compliance verification 	1:00-2:00pm
Wrap Up		2:00-2:15pm

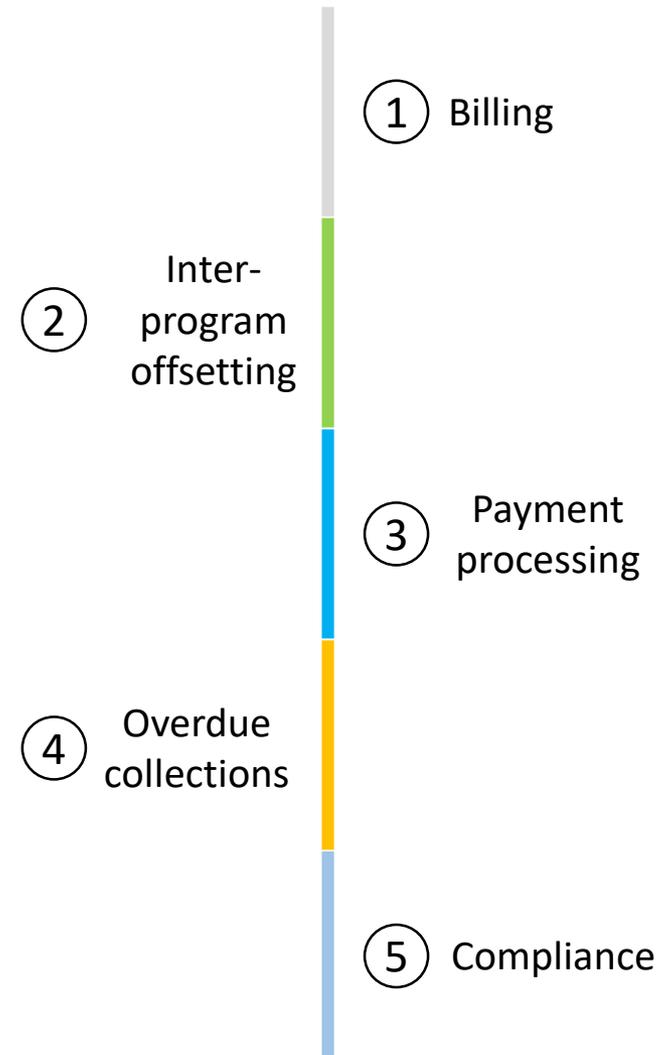
Objectives and expectations

Guiding principles

- Think from a future state perspective
- Focus on the norm, rather than the exceptions
- Challenge perceived constraints
- Park questions and issues that cannot be resolved today

Expectations

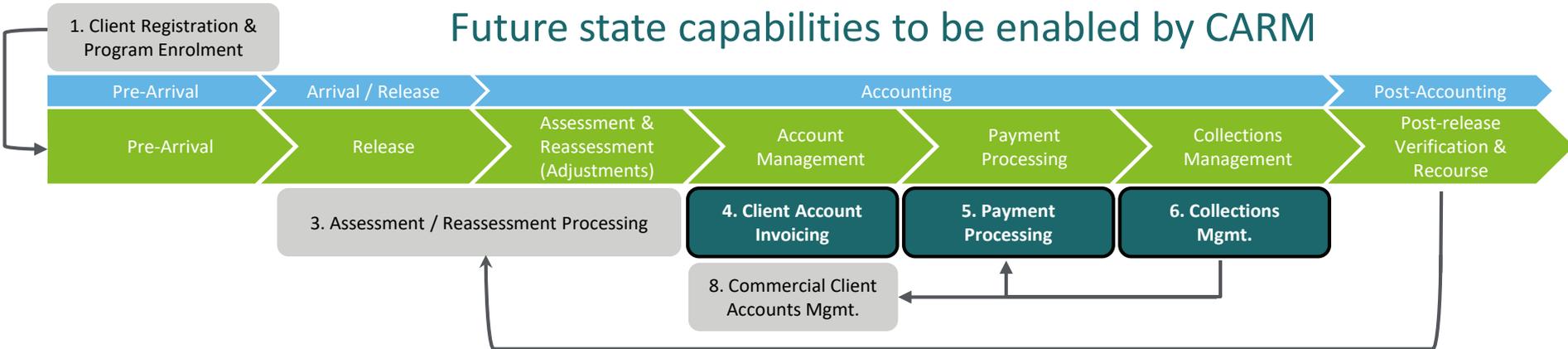
- Be open to new ideas
- Actively participate
- Be output oriented – feedback from this consultation could be considered in the solution design for CARM



Today's focus

Based on workshops completed in July within the CBSA

Future state capabilities to be enabled by CARM



Continuum Wide

- 2. Customs Tariff and Rulings Information
- 7. Financial Management & Controls
- 9. Online Client Self-Service
- 13. Case Management
- 14. Financial Security Program Management

Reporting / Analytics

- 10. Trade Data & Revenue Reporting & Analytics
- 11. Compliance Monitoring & Analytics**
- 12. Trade Fraud & Evasion Detection & Analytics

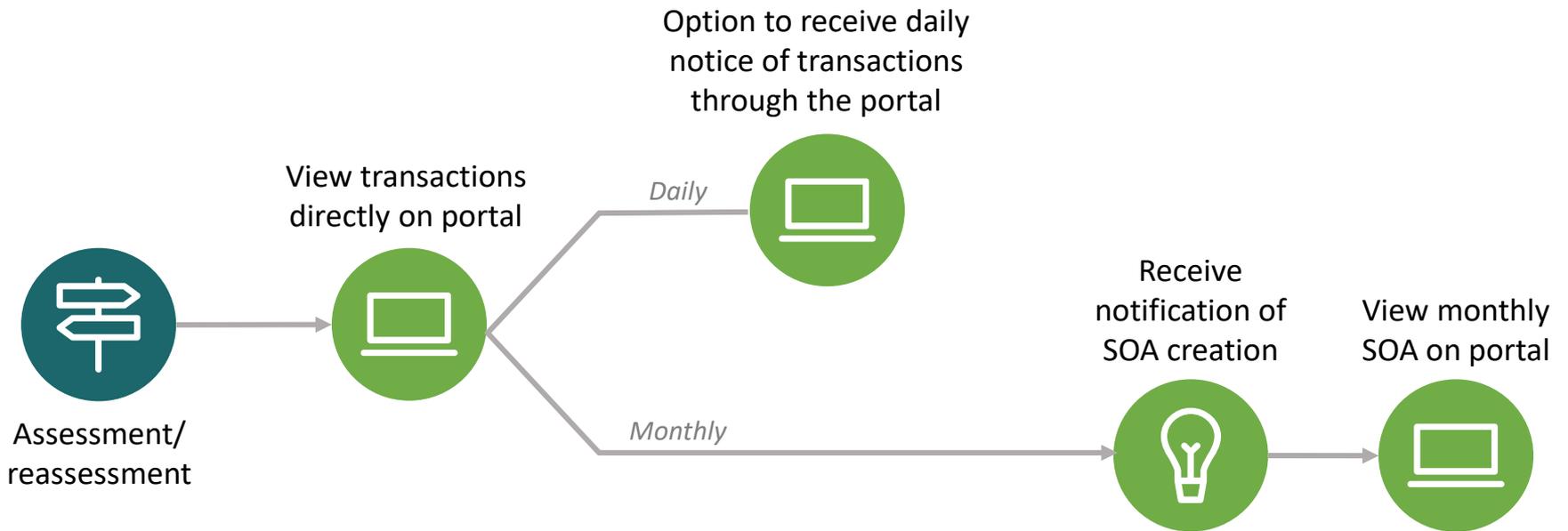
Billing

- Potential future state process for automated billing
- Potential future state for the billing cycle
- Conceptual system solution

Billing

Potential future state for automated billing

Transaction history, daily transaction notices, and monthly Statements of Account (SOA) could be available using the CARM portal



Is this the future of automated billing?
Are there better ways for us to do it in the future?

Legend

- TCP
- CBSA

Billing

Potential future state for the billing cycle

Objectives

1. **Harmonized** billing and payment due dates for all transaction types
2. **Consolidated statement** with detailed transactional information available via the CARM portal

Concept overview

- ✓ Daily **transactional-level** notices
- ✓ Monthly **account-level** Statement of Account, disclosing the cumulative amount due for the month
- ✓ Payments made based on the total sum shown on the Statement of Account and partial payments accepted

Advantages

- ✓ One payment due date
- ✓ Account-level **and** transactional view
- ✓ Aligned with the USA
- ✓ EDI will be supported

Considerations

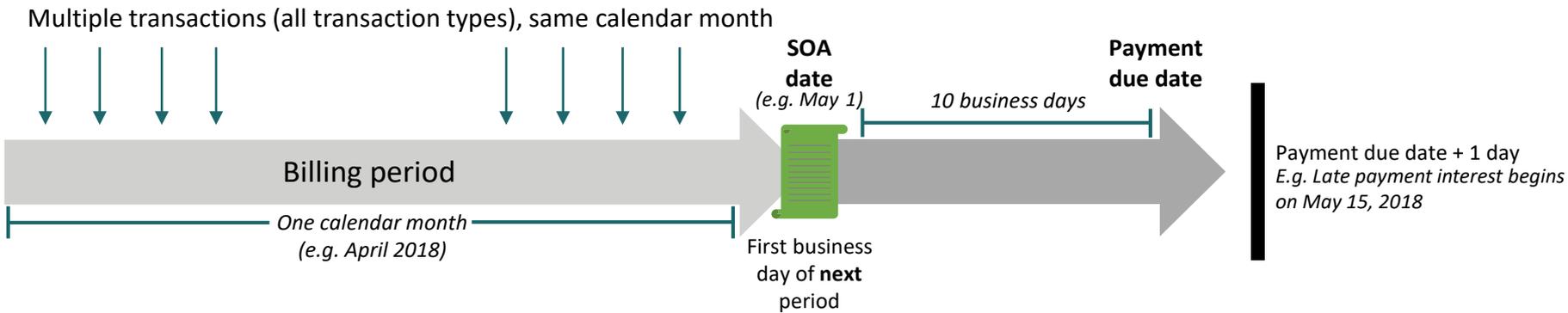
- ✓ How could this impact TCP accounting practices?
- ✓ What opportunities could this present?

Billing

Potential future state for the billing cycle

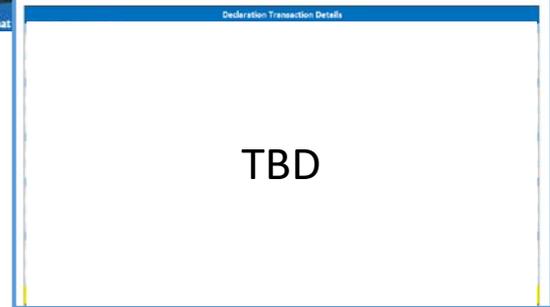
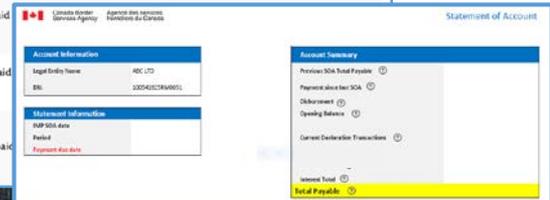
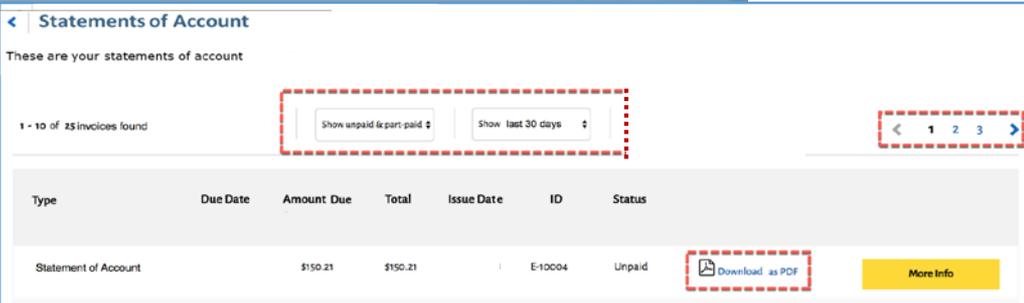
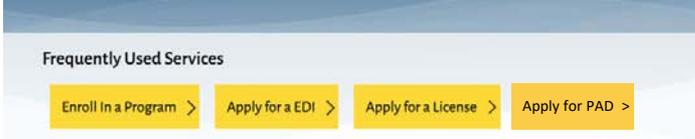
Timing

- All deferred* transactions rendered in a monthly billing period could be posted on the Statement of Account (SOA) on the **first business day of the next period**
- The payment would then be due **10 business days** following the statement posting



What should be considered if we shift toward this billing cycle?

Conceptual system solution



Inter-program offsetting

- Potential future state for inter-program offsetting
- Discussion of potential implications
- Conceptual system solution

Inter-program offsetting

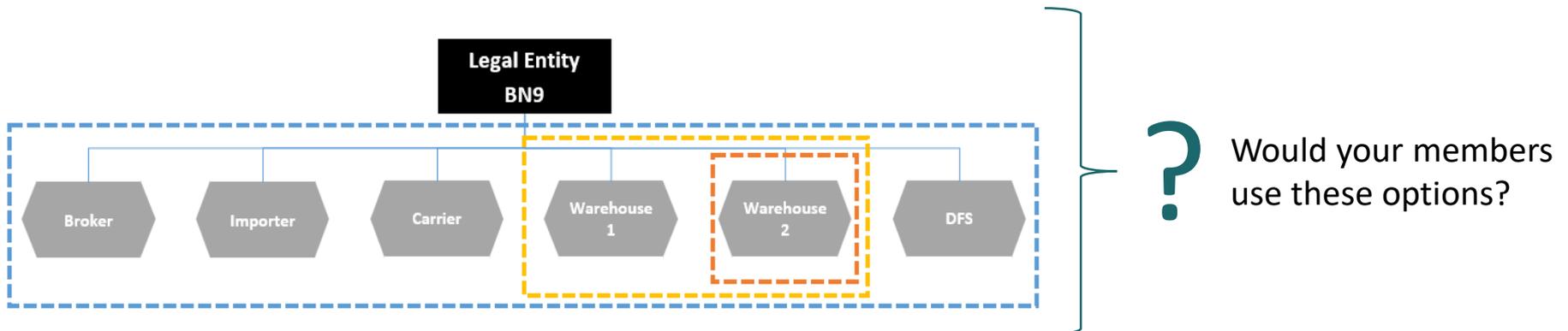
Potential future state

Objectives

1. **Simplify** the account structure and model to offset debits and credits
2. Enable **legal entity level** account management

Concept overview

Enable the CBSA to offset debit and credit amounts at three levels: **account level**, **intra-program**, **inter-program**



Inter-program offsetting

Discussion of potential implications

Potential Implications	Discussion
<p>01 Legal entities may have the option to offset at the account, intra-program, or inter-program level.* Statements of Account could either be account level (by default) or could reflect other offsetting options chosen.</p>	<p>Is there value in providing offsetting options?</p> <p>Is there a benefit to offering a default inter-program Statement of Account?</p> 
<p>02 Account management could be governed to the legal entity level, allowing for overarching control and visibility.</p>	<p>Are there any opportunities or considerations associated with this approach to delegation?</p> 
<p>03 Overdue accounts undergoing the collections process could be offset at the legal entity level.</p>	<p>Would accountholders be comfortable with the responsibility of managing accounts and making payments?</p> 
<p>04 Customs Brokers and other service providers could require client authorization to have visibility to client transactions.</p>	<p>What are the implications of these changes?</p> 
<p>If all transactions on an account offset regardless of who submitted the transaction (e.g. multiple brokers or consultants), what would they mean for your business?</p>	

Conceptual system solution

- Notifications to confirm the declaration has been received could be issued for all assessments and reassessments
- SOAs could be issued only to the account owner
- Receipts could be generated and posted to the portal to show the lump sum amount paid to an account
- Transaction and payment history could be available through the portal

Payment processing

- Future state payment methods
- Discussion of potential implications
- Conceptual system solution

Payment processing

Potential future state payment methods

Additional electronic payment options may be made available

Objective

Automate and **improve** the payment process by offering additional electronic payment methods

Potential payment methods

At Point of Entry:

- Credit or debit card (<\$5,000)

Electronic payments:

- Online banking*
- *New:* Credit or debit card via the CARM portal (<\$5,000)
- EDI**
- *New:* Pre-authorized debit (PAD)**

* Must be a client who receives a statement or an importer paying at the POE (e.g. not with a carrier)

** Must be a client who receives a statement

? Are there any other payment methods that should be considered?

Payment processing

Discussion of potential implications

	Potential implications	Discussion
01	Introduction of pre-authorized debit payments (PADs) and credit card / Interac payments through the portal.	Would your business use a pre-authorized debit payment option? 
02	CBSA would no longer accept USD payments, only CAD.	What are the implications of only accepting CAD? 

Conceptual system solution

ENROLLMENT APPLICATION **INVOICE** PAD ABOUT CBSA NEWS EVENTS

SERVICE POINT CONTACT US WELCOME JANE MY ACCOUNT SIGN OUT

View My Statements

Canada Border Services Agency

I want to

Frequently Used Services

Enroll In a Program > Apply for a EDI > Apply for a License > Apply for PAD >

THE CANADA BORDER SERVICES AGENCY

On an average day...

- We process over 58,600 commercial releases.
- More than 14,400 trucks enter Canada.
- We collect more than \$88,200,000 in duty & taxes.
- We process 240,000 mail items.
- We process 127,400 courier shipments.



Statements of Account

These are your statements of account

1 - 10 of 25 statements of account found

Show unpaid & paid Show last 30 days

Type	Due Date	Amount Due	Total	Issue Date	ID	Payment Reference ID
Statement of Account		\$20,250	\$20,250			Download SOA as PDF Pay
Statement of Account		\$2,500	\$2,500			
Statement of Account		\$0	\$35,900			
Statement of Account		\$0	\$15,675			

CBSA Online Payment

Total Amount: CAD \$20,250.00

Pay With Your Credit Card

Fields marked with an asterisk (*) are required.

* Cardholder Name

* Credit Card Number

* Expiry Date(MMY)

Email

A confirmation email will be sent to this address.

[Pay With Your Credit Card](#)

Pay From Your Bank Account

Fields marked with an asterisk (*) are required.

* Play directly from your bank account using the INTERAC Online service.

Email

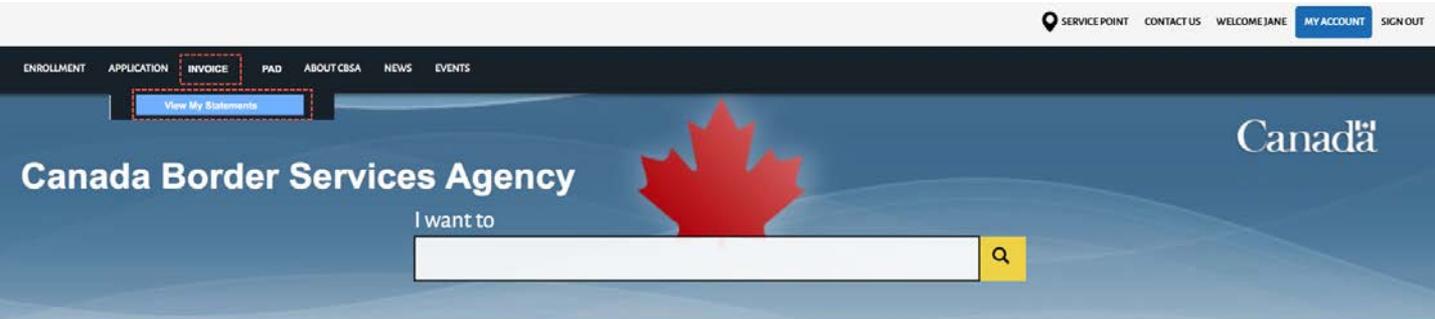
A confirmation email will be sent to this address.

[Pay From Your Bank Account](#)

The Interac Online service is a new payment option that allows you to pay for goods and services on the internet directly from your bank account. [Learn More](#)

Your private information is secured using SSL (Secure Sockets Layer), the leading security protocol on the Internet. Information is encrypted and exchanged with an https server.

Conceptual system solution



Frequently Used Services

- Enroll In a Program >
- Apply for a EDI >
- Apply for a License >
- Apply for PAD >



Statements of Account

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CBSA Online Payment

Total Amount: CAD \$2,500.00

Pay With Your Credit Card

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Cardholder Name

Credit Card Number

Expiry Date(MMYY)

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A confirmation email will be sent to this address.

Pay With Your Credit Card

Pay From Your Bank Account

Fields marked with an asterisk () are required.

Online Pay directly from your bank account using the INTERAC Online service.

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Overdue collections

- Potential future state for overdue collections

Overdue collections

Potential future state

Pre-collection activities

- CBSA is exploring a range of options to encourage payments prior to CRA intervention
- To encourage payments, CBSA could notify TCPs as soon as an account is overdue and apply potential measures, such as:
 1. Offset across programs
 2. Revise Trusted Trader Program status, if applicable
 3. Revise the compliance rating
 4. Remove Release Prior to Payment (RPP) privileges

Behavioural insights

- Governments around the world are beginning to leverage behavioral theories to increase compliance
- Opportunity for the CBSA to **nudge** TCPs to encourage more timely payments



What other measures could the CBSA employ to reduce overdue accounts?

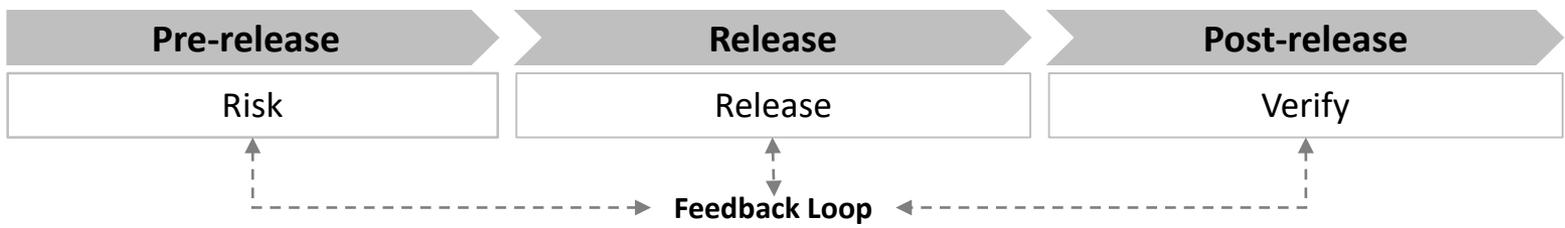
Compliance

- Potential future state for facilitating voluntary compliance
- Potential future state process for compliance verification

Compliance

Potential future state for facilitating compliance

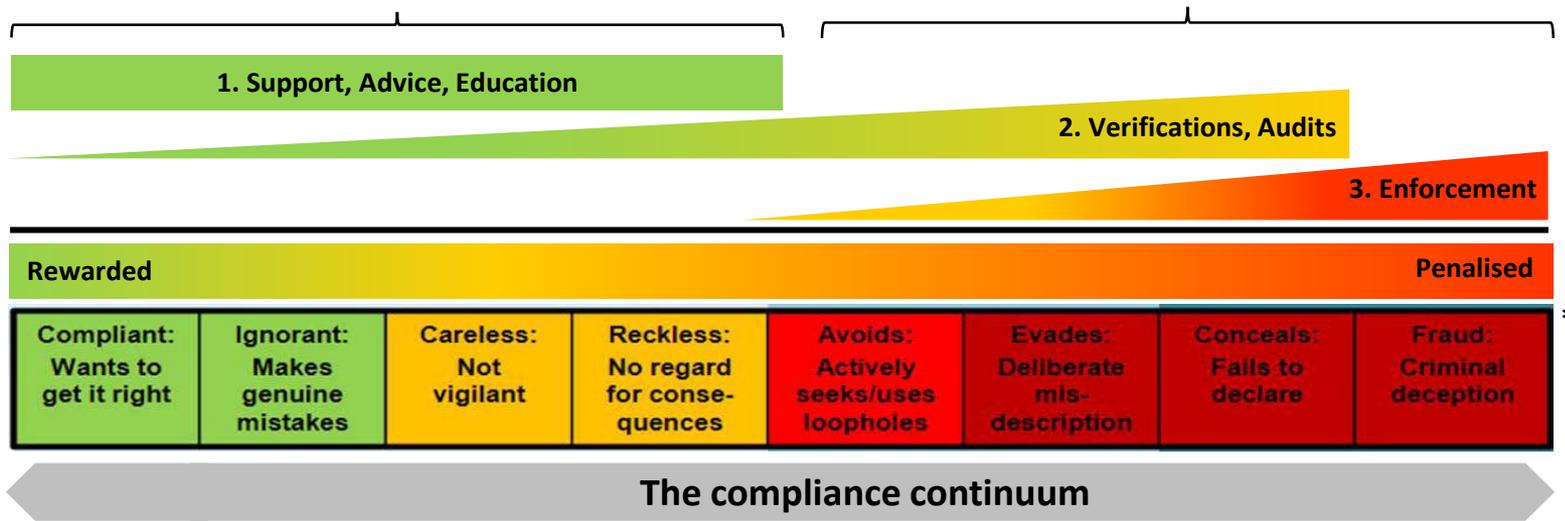
Pushing compliance and risking upstream



How would CBSA achieve compliance?

CBSA would facilitate compliance through automation, education, and TCP engagement

CBSA would monitor and enforce **non-compliance** through automation and advanced analytical tools



Compliance

Potential future state for facilitating compliance

CBSA could use tools / techniques to facilitate upstream compliance and enforce non-compliance



Building the good and addressing the bad across the commercial continuum (pre- to post-release)

For example:

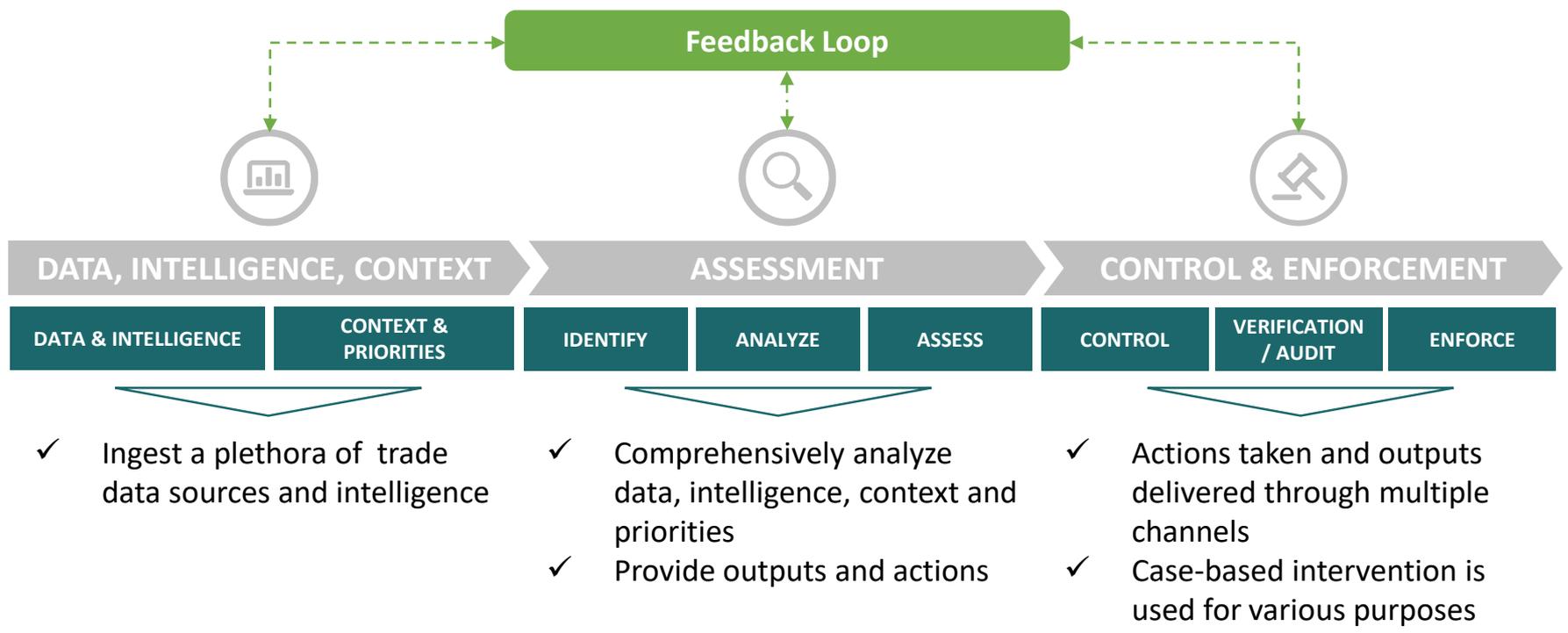
- ✓ Targeted messaging and education
- ✓ Behavioural automation (nudges)
- ✓ HS classification tool
- ✓ Dissemination of rulings
- ✓ Identification of sustained compliance
- ✓ Improved data analytics
- ✓ Compliance history and ratings
- ✓ Holistic risk scores
- ✓ Commodity profile analysis to identify risk of non-compliance



What other ways could CBSA facilitate compliance?

Compliance

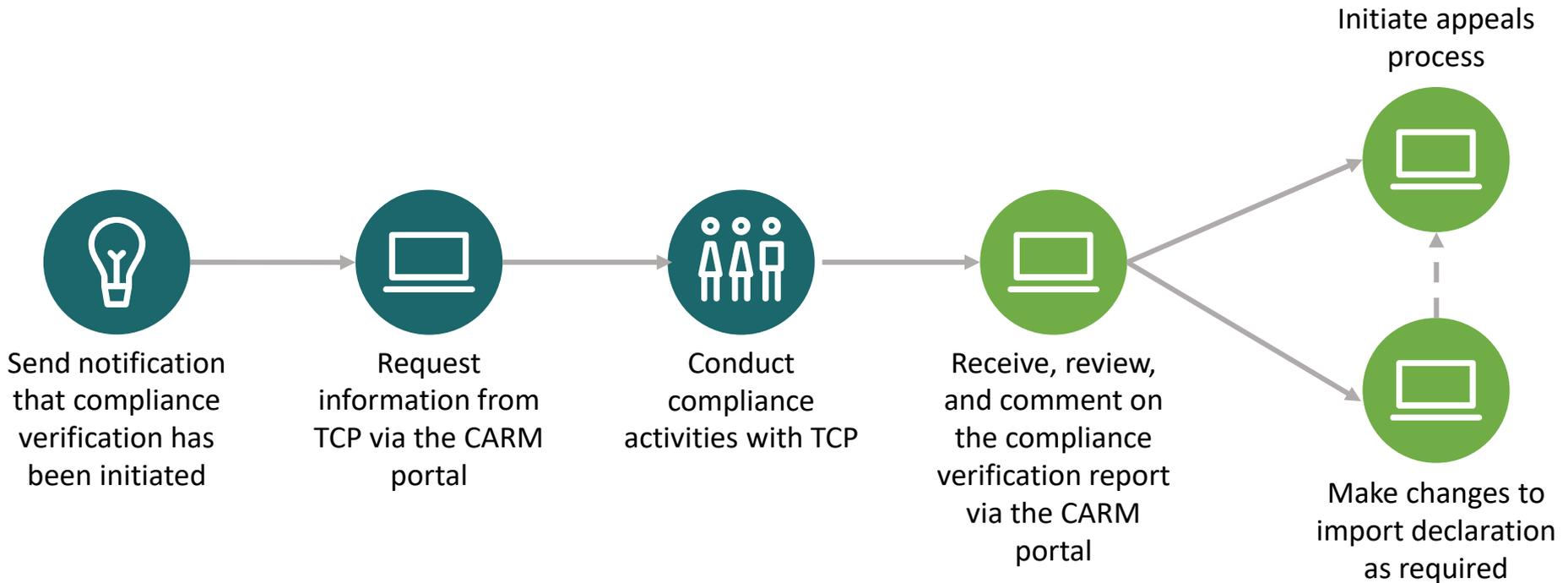
Potential future state – risk and compliance model



Compliance

Potential future state process for compliance verification

Communication during compliance verification could largely take place via the CARM portal



Is this the future of compliance?
Are there better ways for us to do it in the future?

Legend

- TCP
- CBSA

Additional questions?



Wrap up and next steps

Thank you for your participation. Below are topics for upcoming TCP consultations:

September

- Tariff calculation and publication
- Rulings
- Appeals

October

- Trusted Traders
- Reporting and analytics (trade)
- Compliance (fraud)
- EDI

Thank you!