



Canada Border
Services Agency

Agence des services
frontaliers du Canada

Trade Chain Partner Working Group (TCP WG) Consultation

July 18, 2018

Canada 

CARM | CBSA Assessment and
Revenue Management

Agenda

Topic	Content	Timing
Introduction	<ul style="list-style-type: none"> Objectives and expectations Overview of discussion topics 	9:00-9:10am
Registration and program enrolment	<ul style="list-style-type: none"> Review proposed future state processes Conceptual system demo Discussion of key changes 	9:10-10:30am
Break		10:30-10:45am
Assessment and reassessment	<ul style="list-style-type: none"> Single Import Declaration Obtain importer information pre-arrival Debt posted at time of release Review proposed future state processes Conceptual system demo Discussion of key changes 	10:45am-12:00pm
Lunch		12:00-1:00pm
Assessment and reassessment	<ul style="list-style-type: none"> Review proposed future state processes Conceptual system demo Discussion of key changes 	1:00-2:30pm
Break		2:30-2:45pm
Financial Security	<ul style="list-style-type: none"> Overview of financial security Discussion of opportunities for streamlining and improvement 	2:45-3:45pm
Wrap Up		3:45-4:00pm

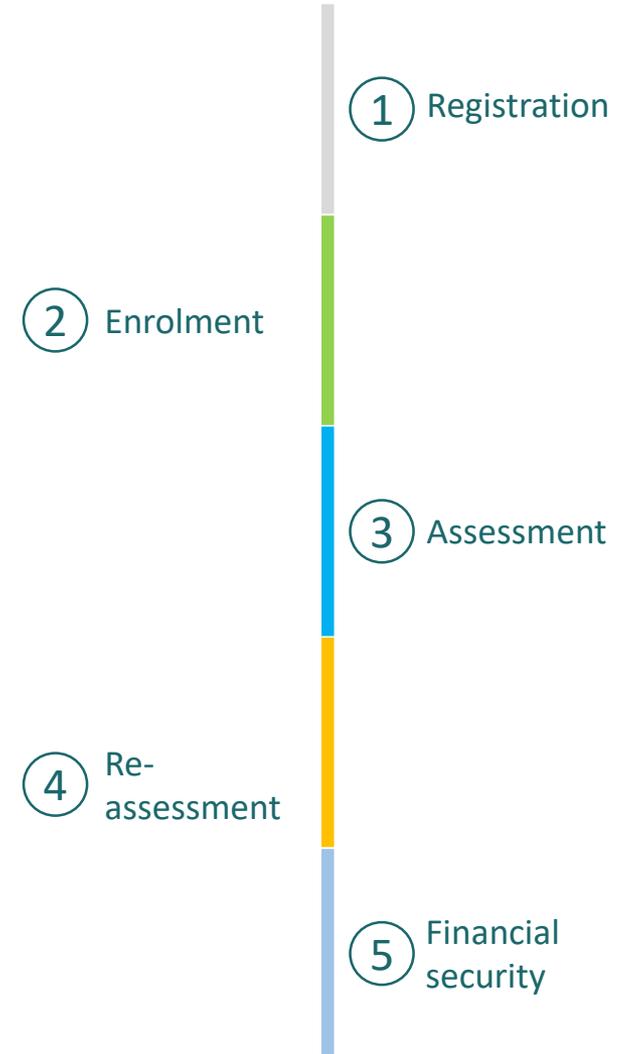
Objectives and expectations

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

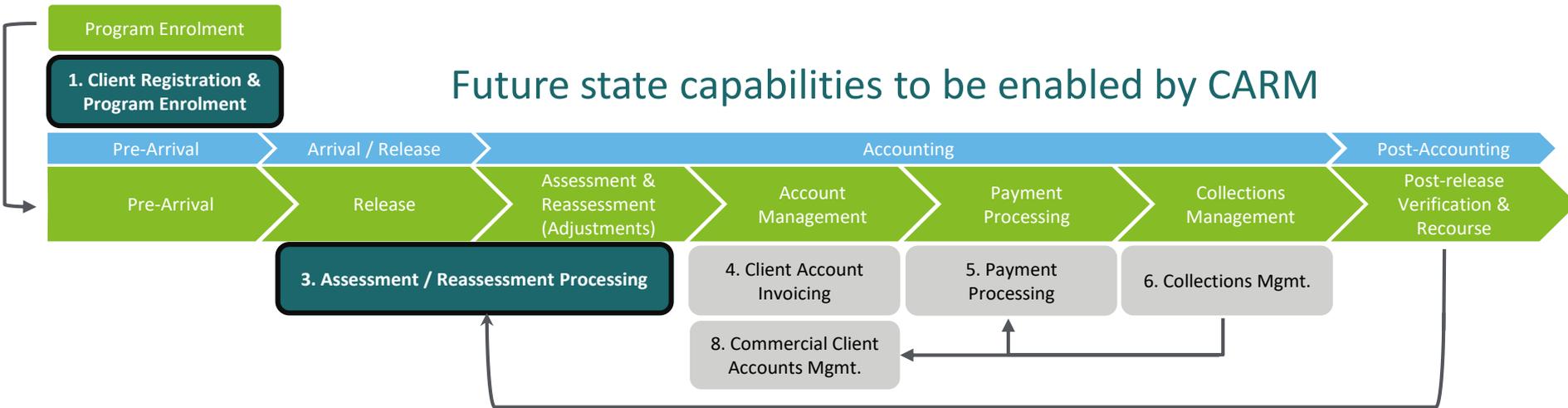
Expectations

- Be open to new ideas
- Actively participate
- Be output oriented – the solution design will build on the results of these consultations



Today's focus

Based on workshops completed in June within the CBSA



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

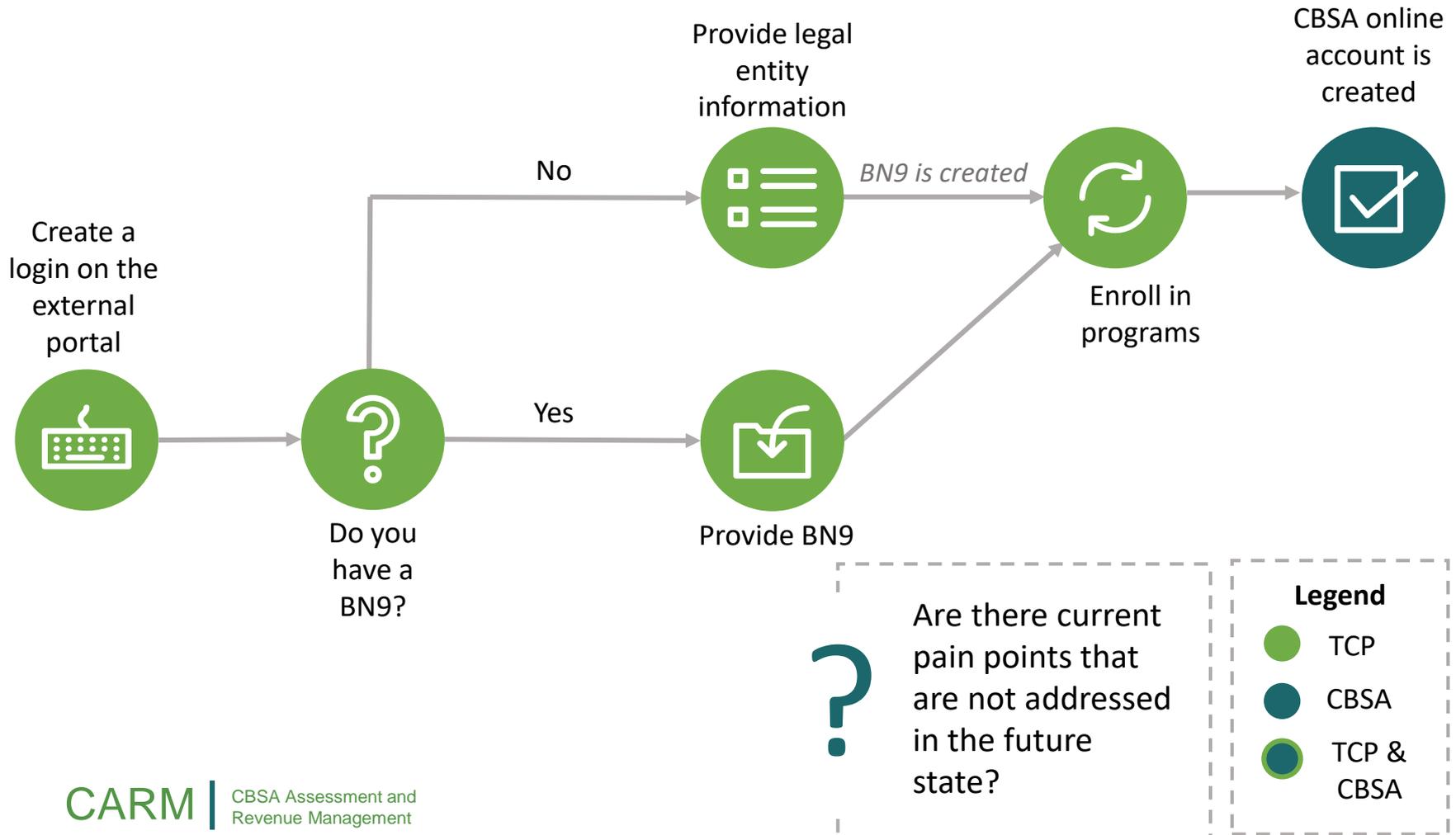
Registration and program enrolment

- Proposed future state process for registration
- Proposed future state process for program enrolment
- Conceptual system demo
- Discussion of key changes

Registration

Proposed future state process

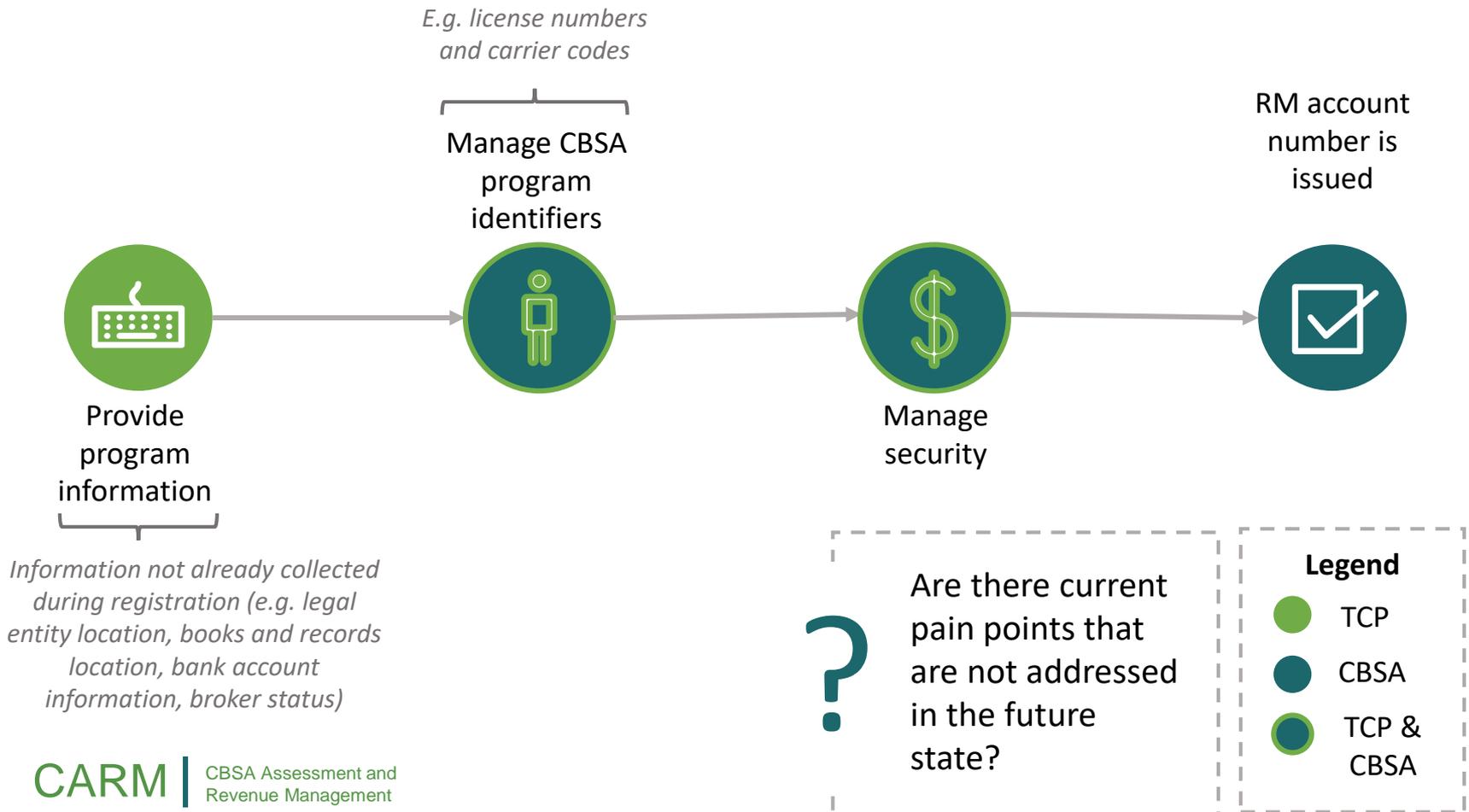
An external portal will be used to register for a CBSA online account and program enrolment will be built in to the registration process.



Program enrolment

Proposed future state process

Client registration will capture all initial tombstone information. TCPs will only be required to enter this information once as they enroll in multiple individual programs.



Conceptual system solution

The screenshot displays the CBSA Commercial Services Agency website interface. At the top, there is a navigation bar with links for SERVICE POINT, CONTACT US, WELCOME TINA, MY ACCOUNT, and SIGN OUT. Below this is a dark header with 'ENROLLMENT' highlighted, and other menu items like APPLICATION, ABOUT CBSA, NEWS, and EVENTS. The main content area features a search bar with the text 'I want to' and a search icon. Below the search bar, there are three buttons for 'Frequently Used Services': 'Enroll in a Program', 'Apply for a EDI', and 'Apply for a License'. The main content area also includes three promotional banners: 'APRIL 28 2018 National Day of Mourning', a CBSA Canada logo, and 'NAOSH week Making a Habit North American Occupational Safety and Health Week MAY 6-12 2018'. A modal window titled '1 Step-1' is overlaid on the right side of the page. The modal contains the following text and form elements: 'The first step in obtaining your CBSA commercial client account will be to enroll in a program.'; 'Select the program you wish to enroll for.' with radio button options: 'Importer' (selected), 'Carrier', 'Customs Broker', 'Freight Forwarder', 'Duty Free Shop', 'Sufferance Warehouse', 'Bonded Warehouse', and 'Third Party Service Provider'; 'Select the type of importer account.' with radio button options: 'Domestic Importer' (selected), 'Non-Resident Importer', and 'Meeting, convention and incentive travel'; 'Select the nature of the business.' with a dropdown menu showing 'Retail'; 'Select the detail of the business.' with a dropdown menu showing 'Clothing'; 'The expected monthly value of imported goods.' with a text input field containing '\$ 5,000.00'. At the bottom of the modal, there are three buttons: 'Cancel', 'Save and Close', and 'Next'.

Registration and program enrolment

Discussion of key changes

Key changes	Discussion
<p>CBSA registration is conducted electronically through the portal.</p>	<ul style="list-style-type: none">• What are the challenges associated with shifting towards electronic registration and program enrolment processes?• What opportunities do these changes present? 
<p>Program enrolment is conducted electronically through the portal.</p>	
<p>Tombstone data is only entered once upon registration.</p>	
<p>Importer BN15s will act as a unique identifier that every TCP will be required to have.</p>	

Assessment and reassessment

- Single Import Declaration
- Obtain importer information pre-arrival
- Debt posted at time of release
- Proposed future state process (assessment and reassessment)
- Conceptual system demo (assessment and reassessment)
- Discussion of key changes (assessment and reassessment)

Proposal: Single Import Declaration (SID)



Augments the Integrated Import Declaration (IID) and will replace all B3 EDI and B2 paper submissions



Allows for information to be entered and changed electronically



Enables versioning capabilities



Obtain importer information pre-arrival



Debt posted at time of release



Duty and tax calculator and an HS code classification tool will help TCPs to get it right

Proposal: Obtain importer information pre-arrival

Discussion

Overview

Certain fields on the Single Import Declaration (SID) such as those related to value for duty, country of origin, and classification should be collected before the goods arrive at the Canadian border. This will allow improved understanding of duties and taxes owing and facilitate trade risking and compliance.

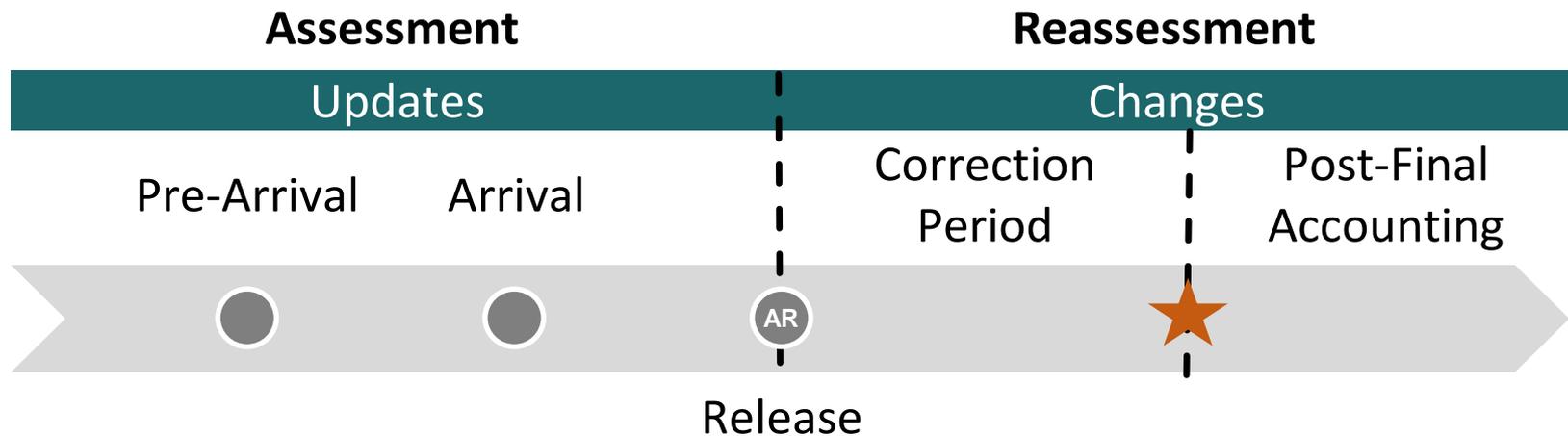
Discussion point(s)

- What are the potential impacts on your business operations?
- What support is required to obtain importer information pre-arrival?

Proposal: Debt posted at time of release

Discussion

In the future state, it is proposed that accounting will be posted at the time of release. An interest-free period will be given to complete final accounting and allow for changes to the declaration, after which any changes will accrue interest back to the release date.



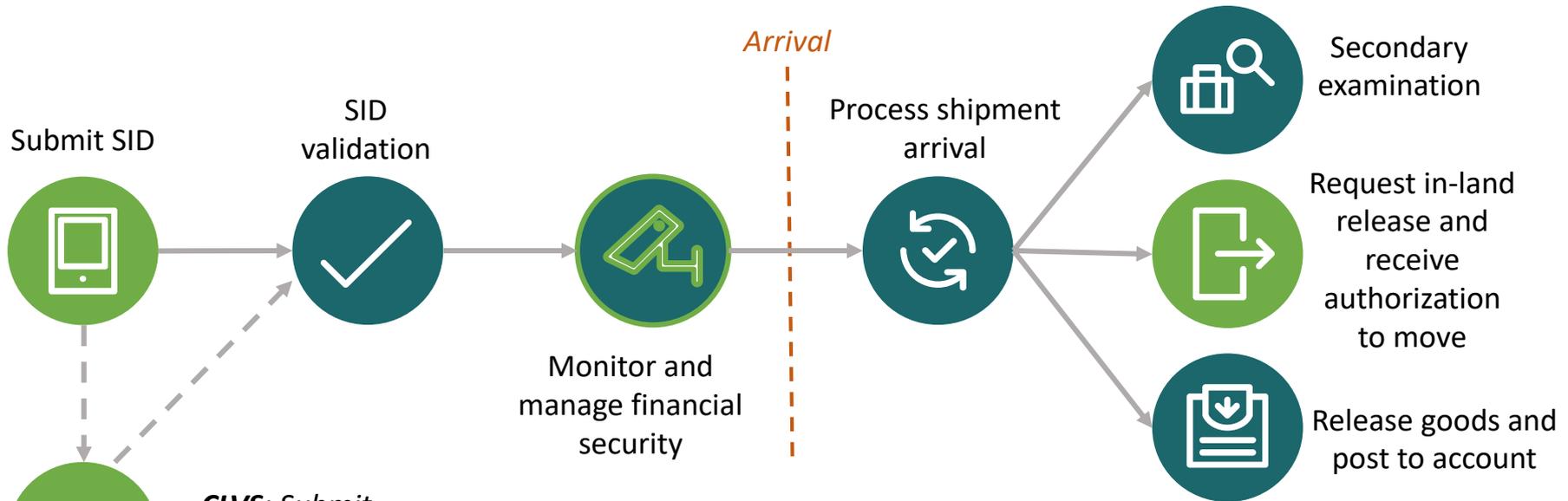
What considerations should be kept in mind as time periods are defined?

What support would be required to transition to this model?

Assessment

Proposed future state process

Pre-arrival information will be provided electronically in order to calculate duties and taxes which will be posted to account upon release.



Are there current pain points that are not addressed in the future state?

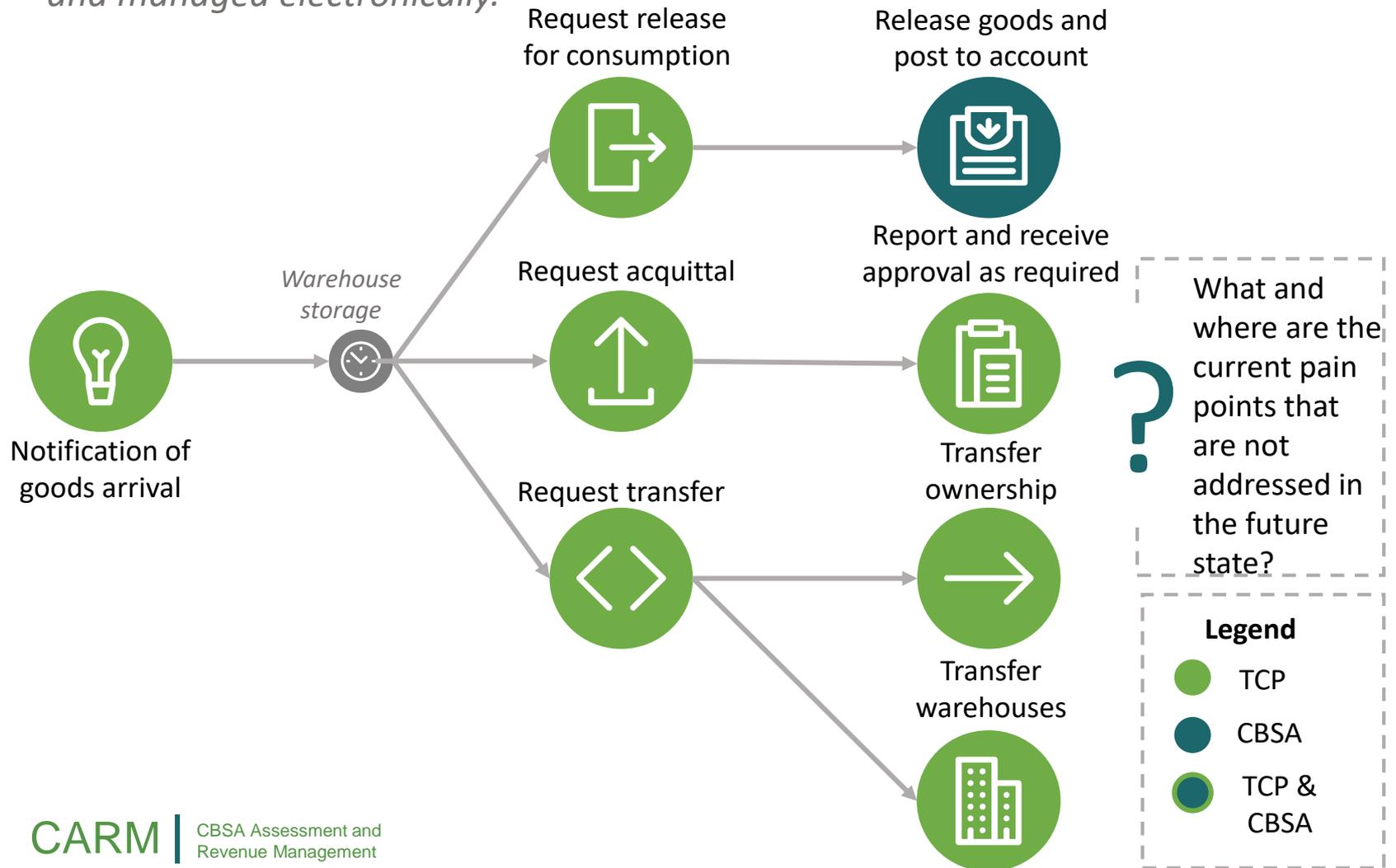
Legend

- TCP
- CBSA
- TCP & CBSA

Assessment (warehousing)

Proposed future state process

Movement of goods within bonded and sufferance warehouses will be tracked and managed electronically.



Conceptual system solution

ENROLLMENT APPLICATION ABOUT CBSA NEWS EVENTS SERVICE POINT CONTACT US WELCOMETINA MY ACCOUNT SIGN OUT

Submit a Declaration
POPULAR SERVICE REQUESTS
Apply for a Declaration

Services Agency

I want to

Frequently Used Services

Enroll in a Program > Apply for a EDI > Apply for a License >

1 Declaration-Step-1

Importer No.* 1000107	Transaction No.* 4525863916
Importer Name Company ABC Limited	Importer Address 1190, Avenue Canadiens-de-Montréal Montreal, QC H3B 0M7
CST registration No. 321432121 RM 0001	Mode of Transport* Marine
Port of Unlading* Vancouver - International Marine Operations	
Office No. - Same as Port of Unlading? <input checked="" type="radio"/> Yes <input type="radio"/> No	
U. S. Port of Exit Akron, OH	
Direct shipment date (MM-DD-YYYY) 14-06-2018	

Cancel Save and Close Next

Conceptual system solution

2 Declaration-Step-2

[Insert Below](#) 

<p>Vendor name *</p> <input type="text" value="Ecuador Shoe Imports Inc"/>	<p>Vendor address Line1 *</p> <input type="text" value="10 Avenida 10 De Agosto"/>	<p>Vendor address Line2 *</p> <input type="text" value="170402 Quito, Ecuador"/>
<p>Freight</p> <input type="text" value="1000"/>	<p> Release date(DD-MM-YYYY) *</p> <input type="text" value="15-06-2018"/> 	
<p>Country of origin *</p> <input type="text" value="Ecuador"/>	<p>Place of export *</p> <input type="text" value="Ecuador"/>	
<p>Classification No. *</p> <input type="text"/>	<p>Description *</p> <input type="text" value="Dress Shoes"/>	<p>Help Me Classify </p>
<p>Quantity</p> <input type="text"/>	<p>U/M *</p> <input type="text"/>	<p>Weight / KGM *</p> <input type="text"/>
<p>VFD Code *</p> <input type="text"/>	<p>Value for currency conversion *</p> <input type="text"/>	<p>Currency *</p> <input type="text" value="USD"/>
<p>SIMA Related:</p> <p><input type="radio"/> Yes</p> <p><input checked="" type="radio"/> No</p>		

Conceptual system solution

3 Declaration-Step-Summary

Value for Duty

\$ 131,000.00

Customs Duties

\$ 23,580.00

Excise Taxes

\$ 0.00

SIMA Assessment

\$ 0.00

Value for Tax

\$ 154,580.00

GST

\$ 7,729.00

Total Assessment

\$ 31,309.00



Cancel

Save as Draft

Submit Declaration

Assessment

Discussion of key changes

Key changes	Discussion
Pre-arrival information is electronically entered into the SID with versioning capabilities.	Are there challenges associated with shifting towards an electronic declaration process? 
A duties and taxes calculator is integrated into the SID.	
An HS classification tool is integrated into the SID.	Are there challenges associated with transitioning to and/or making changes to IID? 
All TCPs will need to use IID to integrate with the CARM Solution. Changes will be required to the IID for existing users.	

Reassessment

Proposed future state process

Changes will be requested using the original SID which will create a new version upon submission.



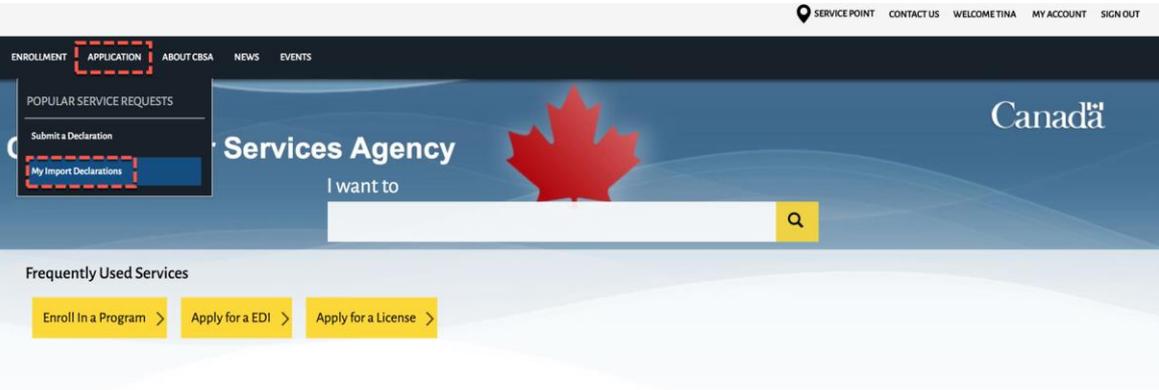
?

Are there current pain points that are not addressed in the future state?

Legend

- TCP
- CBSA
- TCP & CBSA

Conceptual system solution



< | History



Service Request	Status	Total	Delivery Mode	Date	Submitted By	
APPLY FOR A DECLARATION REF. NO.00008051	Completed	C\$0.00		Jun 16, 2018	You	
APPLY FOR A DECLARATION REF. NO.00008046	Completed	C\$0.00		Jun 15, 2018	You	
APPLY FOR A DECLARATION REF. NO.00008035	Completed	C\$0.00		Jun 14, 2018	You	
APPLY FOR A DECLARATION REF. NO.00008034	Released	C\$0.00		Jun 14, 2018	You	
APPLY FOR A DECLARATION REF. NO.00008032	Referred to Examination	C\$0.00		Jun 14, 2018	You	
APPLY FOR A DECLARATION REF. NO.00008026	Changes Under Review	C\$0.00		Jun 13, 2018	You	

Conceptual system solution

2 Declaration-Step-2

[Insert Below](#)

Reason for Change* Please select: <small>Missing or incorrect value</small>	Additional Detail* <small>Missing or incorrect value</small>	Freight 1000
Vendor name* Ecuador Shoe Imports Inc	Vendor address Line1* 10 Avenida 10 De Agosto	Vendor address Line2* 170402 Quito, Ecuador
Country of origin* Ecuador	Place of export* Ecuador	Release date(DD-MM-YYYY) 15-06-2018 Help Me Classify
Classification No.* 6403.20.00.00	Description* Footwear with outer soles of leather (etc.)	Weight / KGM* 500
Quantity 1,000	U/M* Pair	Currency* USD
VFD Code* 13	Value for currency conversion* 100000	
SIMA Related: <input type="radio"/> Yes <input checked="" type="radio"/> No		

3 Declaration-Step-Summary

Previous Assessment

Value for Duty	\$ 131,000.00
Customs Duties	\$ 23,580.00
Excise Taxes	\$ 0.00
SIMA Assessment	\$ 0.00
Value for Tax	\$ 154,580.00
CST	\$ 7,729.00
Total Assessment	\$ 31,309.00

New Assessment

Value for Duty	\$ 117,900.00
Customs Duties	\$ 12,969.00
Excise Taxes	\$ 0.00
SIMA Assessment	\$ 0.00
Value for Tax	\$ 130,869.00
CST	\$ 6,543.45
Total Assessment	\$ 19,512.45
Net Total Assessment	\$ -11,796.55

Reassessment

Discussion of key changes

Key changes	Discussion
Electronic modifications of declarations can be made, replacing B2 paper submissions.	What are the challenges associated with the shift towards an electronic declaration adjustment process? 
Mass edits of multiple declarations can be made by TCPs, replacing blanket B2s. CBSA approval still required.	
TCPs are responsible for declaration changes rather than the CBSA.	What are the concerns associated with this transfer of responsibility? 

Financial Security

- Financial security in the CBSA context
- The case for change
- Baseline financial security
- Discussion

Financial security in the CBSA context

- Financial security is meant to protect accounts receivable in the event of a default
- Financial security helps facilitate trade as it allows TCPs to import goods into Canada without having to pay at the border
- To defer final accounting and payment and receive a statement, a TCP must be part of the Release Prior to Payment Program (RPP) and must post financial security with the Agency

The case for change

- Stakeholders, the CBSA and the OAG have identified the need to **modernize** security programs
- There is also an opportunity to **simplify** the way financial security is managed today
 - Managing the security programs is **burdensome administratively** for both internal and external stakeholders, often using **paper-based processes**, spreadsheets, etc.
 - The requirement for security is spread across multiple programs, the formulas associated for security differ by program and there is **no real-time monitoring** available
 - Clients may be required to post **multiple securities for different programs and locations** to secure duties and taxes which results in additional costs for the TCP

Challenges and opportunities for improvement

Discussion

Overview

The vision is to modernize and simplify the management of financial in the future state. Through today's consultation, we hope to understand current pain points to resolve in the future state design.

Discussion point(s)

- What are the opportunities to simplify and streamline the management of financial security?
- If we could do three things to improve financial security, what would they be?

Additional questions



Wrap up and next steps

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

August

- Billing
- Payment processing
- Collections
- Compliance

September

- Tariff calculation and publication
- Rulings
- Appeals
- EDI

October

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

Thank you!