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# Trade Chain Partner Working Group (TCP WG) Consultation Session

**DRAFT – FOR DISCUSSION PURPOSES ONLY**

July 17, 2019

Canada

**CARM** | CBSA Assessment and  
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# 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 re-mute your phone 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.

# Agenda

Topic	Speaker	Timing
Technical Rules of Engagement	Kevin Horseman	10:00AM – 12:00PM
Opening Remarks	Cindy Negus	
Recap of June TCP WG Sessions / Questions & Answers	Cindy Negus	
Key Decisions - CAD Timeframe	Richard Lavoie / Jonathan Hopkins	
<b>Lunch</b>		12:00PM – 12:45PM
CARM Portal Demos	Daniel Melkin / Monica Vaid	12:45PM – 2:15PM
<b>Health Break</b>		2:15PM – 2:30PM
Walkthroughs: First-Time Importer / Disbursement Update	Daniel Melkin / Jonathan Hopkins	2:30PM – 4:00PM
Roundtable and Conclusion	Cindy Negus	4:00PM – 4:30PM

# Recap of June TCP WG Session

- CARM presented a crosswalk of the Release to Commercial Accounting Declaration
- CARM provided a walkthrough of Rulings, Temporary Importations, and Payment Processing
  - Key questions were raised:
    - How CARM will facilitate the temporary importation process for clients managing exhibitions?
    - Delegation of authority for non-BN9 temporary importers
- CARM outlined the CADEX query transition to API data for tariff data updates
- CARM provided an overview of the engagement and communication activities that the project will use to engage with the trade chain community

# Recap of June TCP WG Sessions (cont.)

Question	Answer
Portal General	
Can adjustments be submitted on Day 1 of Release 2, even though the historical data will not be available in CARM?	The ability to submit an adjustment against a B3 that was submitted pre-CARM Release 2 will be available; however, the manner by which this will be provided is still being determined.
Will there be restrictions in the number of users that can be granted delegated access to a business account in the portal?	No, we do not anticipate any restrictions to be made on the number of users that can be granted delegated access.
Will importers and customs brokers be able to correct errors in their account data in the CARM Client Portal, as of Release 1?	<p>User account updates (e.g. a user will be able to update email and telephone information), and, the ability to delegate authority to the business account will be made available with Release 1 via the portal (e.g. ability for an importer to set up their business account on the portal and delegate access to their customs broker).</p> <p>The functionality that will allow importers and customs brokers to update business account information (e.g. business addresses, contacts) will not be available until Release 2. Current procedures for requesting changes through the CRA will need to be followed.</p>
Will historical rulings be available in Release 1?	Historical rulings will continue to be available on the CBSA website as they are today.

# Questions & Answers

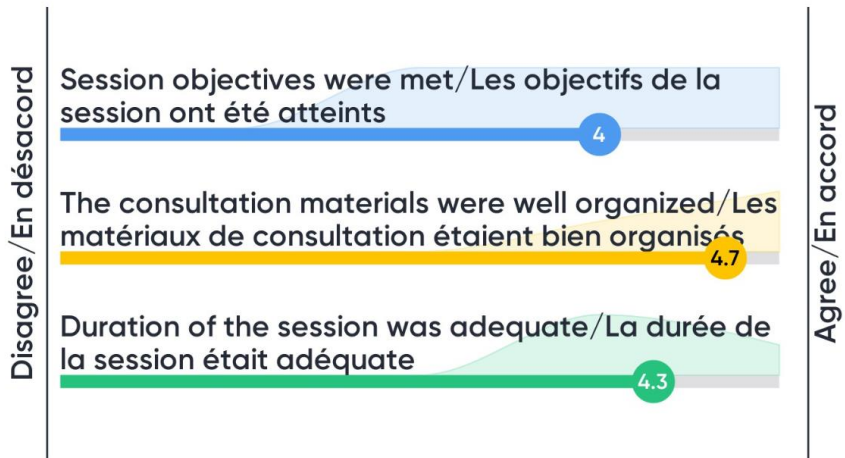
Question	Answer
Release	
<p>How will the CBSA know to expect the accounting information from the importer vs. the customs broker who filed the clearance?</p>	<p>The CBSA will expect the Commercial Accounting Declaration (CAD) within the time limit (maximum five business days from date of release), regardless of who submitted the release document. It is the importer's responsibility to ensure that the CAD is received by the CBSA within this time period; regardless of who submits it to the CBSA.</p>
<p>Does the Trade Chain Partner (TCP) have to wait for the release decision, before the accounting declaration can be submitted?</p>	<p>For release on minimum documentation (RMD/PARS/IID), the goods must be released before an accounting declaration will be accepted by the CBSA system. TCPs may choose to program their systems to trigger the submission of the accounting declaration upon receipt of the release notification.</p>
<p>Will I be able to submit my release documentation through the CARM Client Portal?</p>	<p>Release documentation is not part of the CARM scope; however, you will be able to prepare and submit a fully completed CAD (formerly known as "C" type entry) in the portal and present the package for release at the port.</p>

# Questions & Answers

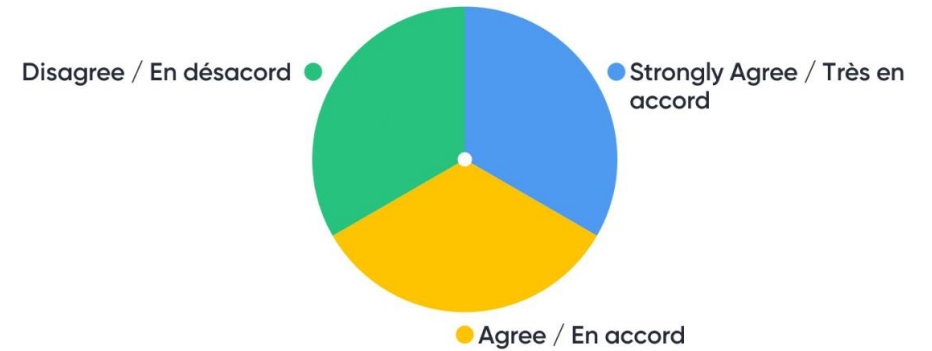
Question	Answer
Billing/Payment	
Will the Statement of Account (SOA) be available to the customs broker via EDI?	The importer's SOA will be made available to any party with delegated authorization to receive it. This may be either through the portal or EDI provided they are an approved participant.
General	
Can non-resident importers be issued a business number?	Yes, the Canada Revenue Agency (CRA) is already issuing business numbers for non-resident importers. However, the non-resident importer must be able to provide all of the mandatory information required during the registration process, as well as meet the CBSA importer program requirements. For example, non-resident companies must respect the maintenance of books and records requirements under the Custom Act. Refer to Memorandum D17-1-21: Maintenance of Records in Canada by Importers.

# Mentimeter Results from June Consultation

## Session Feedback / Rétroaction sur la session



The consultation session used relevant examples to describe the future state design



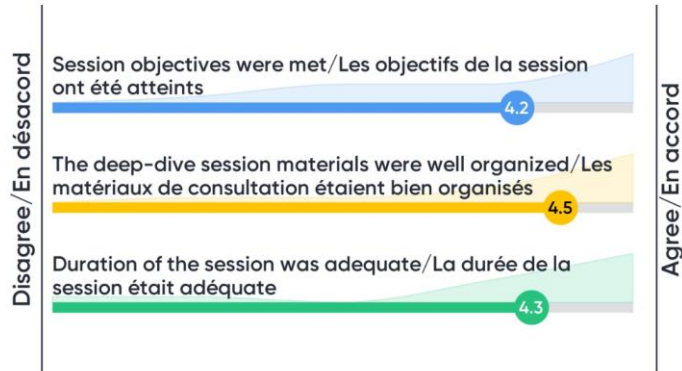
E29B process is very complex and requires in-depth knowledge in order to determine if goods imported on a temporary basis qualify for relief of GST and/or even qualify for temporary importation. engage SME prior to building out the solution.

It was a very informative session this month and I appreciate the level of engagement from CBSA

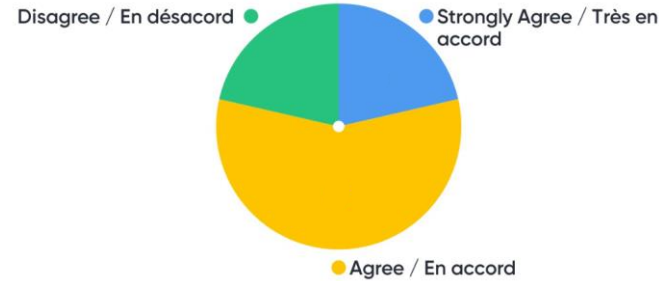


# Mentimeter Results from June 26<sup>th</sup> Deep-Dive

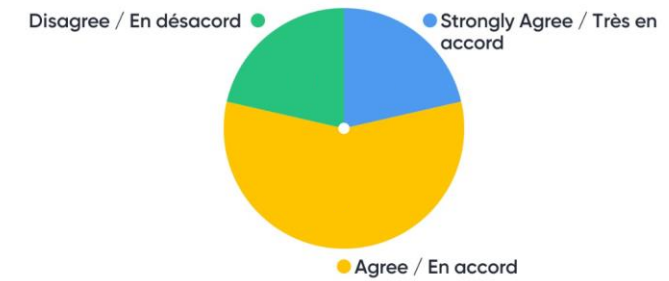
## Session Feedback / Rétroaction sur la session



## This session helped you better understand how CARM will affect your line of business?



## The session used relevant examples to describe the future state design



The session went well, the screen shots and examples that provided the visual of some of the new processes like the rulings is very helpful and I believe makes the sessions more productive.

I attend many webinars including some hosted by CBSA - and must say this was one of the better ones I've been to. It was thought provoking yet crisp, clear and no nonsense. This sets the stage for success on this very important topic. Thank you

Looking forward to ebond future for filing electronic and direct to cbsa and cra

The examples pertinent to E29B were not correct and would pose challenges to create all through the portal. Additional work needs to be completed to fully understand what is required to submit an E29 B inclusive of the legislation

For someone who did not have a lot of background it was very lengthy and could have been split into different me slots from before hand so that if someone only wanted to attend a certain time slot they knew when that would approx. be presented.



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# Key Decisions / Commercial Accounting Declaration (CAD) Timeframe

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# Key Decision – CAD Timeframe

CARM is recommending that:

- The CAD submission timeframe be set to a maximum of five business days following release.
- The billing cycle remains as proposed during the course of this project (i.e. payment due date is 10 week days following the end of the billing cycle - 17<sup>th</sup> of month 2), with the exception of the Statement of Account (SOA) generation date that should move to the 25<sup>th</sup> of the month.

# Additional questions?





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# CARM Portal Demos

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# Additional questions?





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# Walkthroughs: First-Time Importer / Disbursement Update

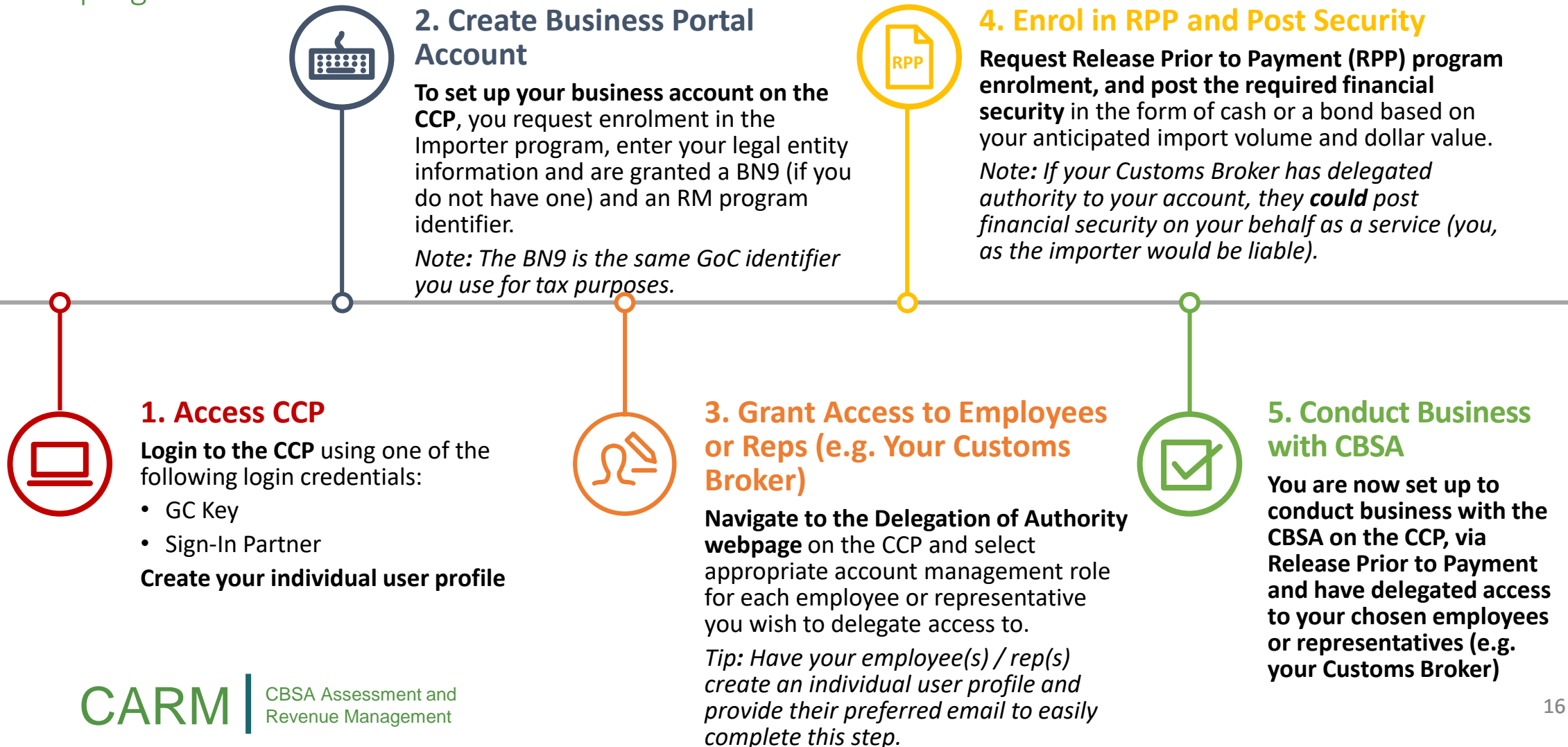
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# New Importer (Release 2)

The following scenario outlines the steps that an importer, who has not transacted business with the CBSA, would take to gain access to the CCP, delegate authority and enrol in the Release Prior to Payment (RPP\*) program





# Importer who contracts a single Customs Broker (CB)

The following scenario outlines the process when an Importer with release prior to payment (RPP\*) privileges contracts the services of a single CB to clear and account for imported goods

## 1. CB Submits Release Document

- As per current processes for all modes (air, marine, Hwy., rail), dates and times (day, night, weekend)
- When a release decision is rendered the CB is notified (RNS)
- CARM is notified that a release has occurred

*Note: Release of OGD goods will continue as per current process*

## 2. CB Submits Commercial Accounting Declaration (CAD)

May be submitted via CCP or EDI upon receipt of the release notification or within prescribed timeframe

*Note: an automated late accounting penalty **may** be applied to the importer's account by CARM if the CAD is not received within prescribed timeframe.*

## 3. CB and Importer Receive CAD Acceptance notification

**CB receives CAD acceptance via EDI (if applicable) and on CCP; Importer receives a CAD acceptance by way of the posting to their account**

- The CAD acquits the release
- The CAD is posted to the importer's account and release date is used to identify the billing period and associated payment due date

## 4. CB and Importer Receives Daily Notice

**CB receives Daily Notice (DN) via EDI and/or CCP for each importer, for the transactions that they have accounted for, on behalf of that importer**

- Ability to view an Importer's transaction information on the CCP if delegated to do so by their client

**Importer receives Daily Notice (DN) on the CCP (if opted in) and/or can view client account and transactional information in the CCP for all transactions accounted for, for that day (includes self-cleared, and all transactions submitted for them by all CBs)**

## 5. Importer receives Statement of Account / CB receives summary

**A Statement of Account (SOA), is generated for the importer at the end of the billing period**

- Importer will receive their SOA on the CCP; email notification to importer that SOA is available
- CB will be able to view the SOA for an importer on the CCP if delegated to do so by their client; when viewing, they will see the entire SOA produced for that importer
- CB will receive summary report for all importers

## 6. Importer Remits Payment

**CB instructs the importer to pay the CBSA directly**

**OR CB remits electronic payment for the importer, for the transactions they accounted for and for which payment was remitted to them.**

*Note: CBs will need to use the DNs produced to identify the sum total of the payment amount for each of their clients.*

# Disbursements – Future State Proposal

1. Disbursements will be run at the BN9 level.
2. The monthly disbursement program will first check to see if the business partner (BN9) is in an overall credit position by performing a **net balance check** 3 days ahead of the monthly disbursement run.
  - Due and non-due debts, credits and payments will be taken into consideration during this check.
  - The monthly disbursement run will occur after payment due date offsetting and before the next SOA.
3. If the BN9 is in a net credit position, a nudge will be sent to the TCP to let them know they can request a disbursement for this month.
  - At least 1 credit must be on the account as payments cannot be disbursed automatically, due to Financial Administration Act (FAA).

# Disbursements – Future State Proposal (cont'd)

4. If the TCP logs on to the portal and makes a disbursement request, their account can be included within the proposal for that month provided their net balance remains in a credit position.
  - A debt on the TCP's account will **no longer automatically disqualify** them from receiving a disbursement.
  - If the TCP has opted into the disbursement, the minimum value of the disbursement must be at least \$2.01.
  - The current rule blocking amounts less than \$1000 that are less than 2 months old from being proposed for disbursement will be removed.
  - **No physical BN9 level offsetting** needs to occur to enable the disbursement.
5. The amount of the disbursement will either be the net credit balance or the total amount of credits across the BN9, whichever is less.
  - Payments are included within the net balance check, however they cannot be part of the disbursement.

# Disbursements – Future State Proposal (cont'd)

6. The SOAs issued to the TCP will indicate the amount disbursed from their account. The SOA will indicate that these amounts may be less than expected due to debt across the BN9.
  - Reports available to the TCP's BN9 level users and CBSA officials will outline how the refund amount was calculated.
7. Manual disbursement requests for specific items can be made through the online portal account view.

# Scenario 1 - Eligible for disbursement

A small Importer with one (1) RM account (RM0001)

- RM0001 has a debt of \$10,000 on the account with \$300 in credits and \$100,000 in payments

RM Account	Total debits on the Account	Credits on the Account	Payments	Net Balance
RM0001	10,000	(300)	(100,000)	(90,300)

- The Importer (BN9) is in a net credit position and is eligible for disbursement.
- An amount of **\$300** can be disbursed.

# Scenario 2 – Not eligible for disbursement

A small Importer with one (1) RM account (RM0001)

- RM0001 has a debt of \$12,000 on the account with \$30,000 in payments and no credits

RM Account	Total debits on the Account	Credits on the Account	Payments	Net Balance
RM0001	12,000	-	(30,000)	(18,000)

- The Importer (BN9) is in a net credit position but is not eligible for disbursement because the credit position is a result of payments on the account, and not credits.
- **No** disbursement can be issued.

# Scenario 3 - Eligible for disbursement

Large Importer with three (3) RM accounts (RM0001, RM0002, and RM0003)

- RM0001 has a debt of \$10,000 on the account
- RM0002 has a debt of \$20,000 on the account with \$32,000 in credits and \$17,000 in payments
- RM0003 has a debt of \$40,000 on the account with \$54,000 in credits

RM Account	Total debits on the Account	Credits on the Account	Payments	Net Balance
RM0001	10,000	-	-	10,000
RM0002	20,000	(32,000)	(17,000)	(29,000)
RM0003	40,000	(54,000)	-	(14,000)
			BN9 Net Balance	(33,000)

- The Importer (BN9) is in a net credit position and is eligible for disbursement.
- An amount of **\$33,000** can be disbursed.

# Scenario 4 - Eligible for disbursement

Large Importer with three (3) RM accounts (RM0001, RM0002, and RM0003)

- RM0001 has a debt of \$10,000 on the account
- RM0002 has a debt of \$20,000 on the account with \$17,000 in credits and \$32,000 in payments
- RM0003 has a debt of \$40,000 on the account with no credits and \$54,000 in payments

RM Account	Total debits on the Account	Credits on the Account	Payments	Net Balance
RM0001	10,000	-	-	10,000
RM0002	20,000	(17,000)	(32,000)	(29,000)
RM0003	40,000		(54,000)	(14,000)
			BN9 Net Balance	(33,000)

- The Importer (BN9) is in a net credit position and is eligible for disbursement.
- The total net balance cannot be disbursed as it includes payments.
- An amount of **\$17,000** can be disbursed.

The net balance is (33,000), however the total credits on the account only amount to (17,000). As per rule 5, the amount of the disbursement will either be the net balance or the total amount of credits across the BN9, **whichever is less**.



# Scenario 5 - Eligible for disbursement

Large Importer with three (3) RM accounts (RM0001, RM0002, and RM0003)

- RM0001 has a credit of \$25,000 on the account
- RM0002 has a credit of \$35,000 on the account
- RM0003 has a debt of \$58,000 on the account

RM Account	Total debits on the Account	Credits on the Account	Payments	Net Balance
RM0001	-	(25,000)	-	(25,000)
RM0002	-	(35,000)	-	(35,000)
RM0003	58,000	-	-	58,000
BN9 Net Balance				(2,000)

- The Importer (BN9) is in a net credit position and is eligible for disbursement
- An amount of **\$2,000** can be disbursed

# Additional questions?





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# Roundtable and Conclusion

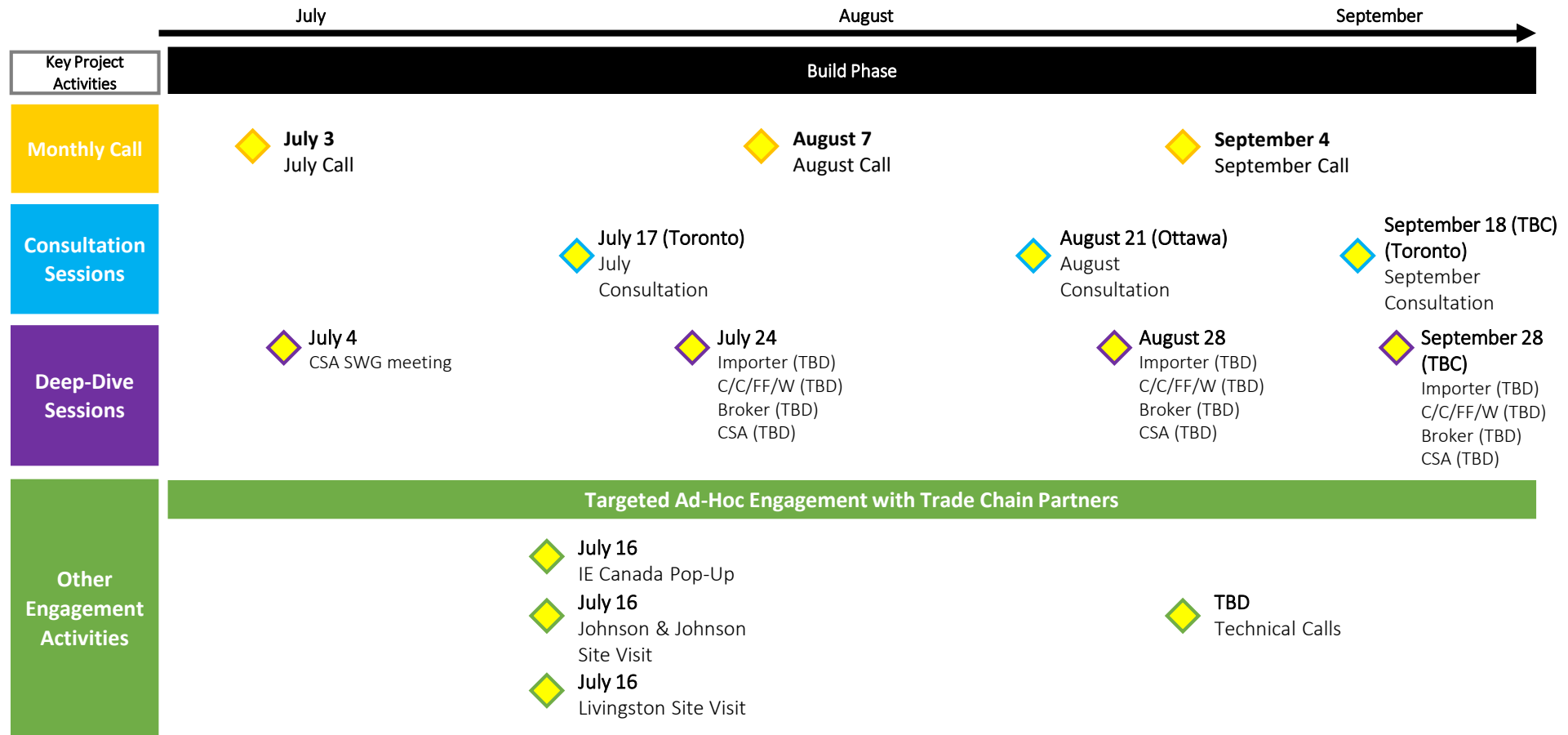
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# 3-Month Outlook of TCP WG Activities

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



# Thank You!