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Trade Chain Partner Working Group (TCP WG)

DRAFT – FOR DISCUSSION PURPOSES ONLY

July 21, 2021

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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 only calling in, 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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Opening Remarks

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Agenda

Topic	Speaker and Support	Timing
Technical Rules of Engagement	Kevin Horseman	9:00AM – 9:05AM
Opening Remarks	Peter Hill / Richard Lavoie	9:05AM – 9:25AM
TCP Readiness Update	Kim Campbell	9:25AM – 9:55AM
End-to-End Walkthroughs: Scenario #1: Temporary Importations	Chris Stein	9:55AM – 10:50AM
Break		10:50AM – 11:05AM
End-to-End Walkthroughs: Scenario #2: Payment Processing	Marcel Schlueter / Jacques Nzarora / Valery Sina Ba	11:05AM – 12:00PM
TCP Testing Process Update	Carola Daffner / Brennan Badgley	12:00PM – 12:15PM
TCP Portal Onboarding Update	Kevin Horseman	12:15PM – 12:25PM
Conclusion	Kevin Horseman	12:25PM – 12:30PM



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TCP Readiness Update

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Trade Chain Partners - State of Readiness Industry TCP's - July 21, 2021

Key Areas:

R1 – May 25, 2021

- Status update to include uptake numbers, onboarding challenges (i.e. notifications not working). **Standing request.**
- Rulings module visibility issue. Brokers/consultants losing access/visibility to original submissions and subsequent decisions of CBSA. **Request a response.**
- Status update of ARL clean up. TCP feedback on current process.

Technical Support – June 23, 2021

- Need a complete and accurate ECCRD. **Still not complete.** Expectation that industry TCP's are supposed to triage multiple spreadsheets and updates not incorporated into the ECCRD is not acceptable.
- Inaccurate use cases in the ECCRD. Have been identified and need to be corrected.
- We do not consider the clock started for sufficient lead time for implementation with an unfinished ECCRD. CSA importers significantly impacted and will not meet the May 2022 Go Live because was not provided in time.
- When will ECCRD 2.0 be available? ***New**
- Review of testing plan. Testing is supposed to start August/September 2021 ***New**

Trade Chain Partners - State of Readiness Industry TCP's - July 21, 2021

Key Areas con't:

Operational Workflow – Outstanding Issue

- Walkthrough of real-world scenarios. This has been requested since 2011. Need to prioritize for completion as impacts solutioning and TCP understanding of end state.
- A few scenarios presented to date.
- We will be scheduling meetings over the next couple of months with specific topics/scenarios and request that a CBSA Subject Matter Expert(s) participate. External consultants are welcome to participate as observers. *New*

RPP (Release Prior to Payment Privilege) – Outstanding Issue

- Need update on the RPP On Boarding Process to include the decisions made between SAC (Surety Association of Canada) and CBSA.
- What is the plan for R2? **New*

Regulatory Package – Outstanding Issue

- Respecting “Cabinet Confidence” need to have visibility and understanding of the main components of these changes including timelines.

Trade Chain Partners - State of Readiness Industry TCP's - July 21, 2021

Key Areas con't:

Data Matrix/CAD – *Still Pending*

- Need comprehensive review of data elements.
- CAD not feasible as presented.
- WCO data elements – level set understanding.
- ***Who should we contact to schedule 1st session?***

CBSA Coordination – *Ongoing Challenge*

- Need to ensure not overlapping of meetings with other CBSA meetings and events.
- Need to ensure not competing large scale projects at the same time.
- Who will be assuming leadership at VP level for CARM? ****New***

Fees for Services – No Charge Today ****New***

- Please explain.



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End to End Walkthroughs Scenario #1: Temporary Importations

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Submission and Reporting Requirements

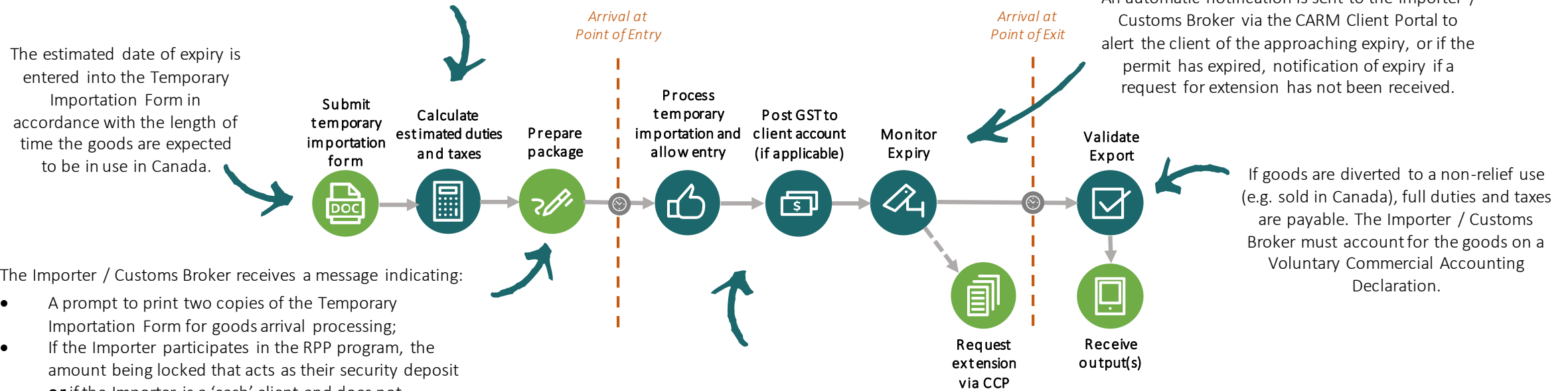
Many operational, program, and policy aspects of the process do not change under CARM

- The goods must be eligible for temporary importation into Canada. This condition includes all necessary certificates, licenses and permits as would be required if the goods were being permanently imported. In general, this condition means the goods must:
 - not be prohibited, restricted, or controlled;
 - meet all OGD requirements, including certificates, licenses and permits;
 - not be intended for sale, lease, or further manufacturing or processing;
 - be intended for export; and
 - not be plants, food, or other consumable items or other items that may be given away, disposed of, or otherwise used up unless they meet the provisions for goods that are to be consumed or expended.
- Currently, five copies of the E29B are completed and presented to the CBSA. Under CARM, only two copies of the Temporary Importation Form are presented: one for the issuing CBSA office and another to be returned to the CBSA at time of acquittal.
- Other reporting requirements (e.g. ACI) and release procedures do not change for any mode of transport.
- Sufficient documentation or other evidence is required to demonstrate intended exportation of the goods within the maximum allowable timeframe of eighteen (18) months unless otherwise specified.
- The current process of submitting B3s (CADs in the future state) referencing tariff code 9993 does not change; therefore, only in instances where you currently complete the E29B for commercial goods would you use the Temporary Importation Form in the future.
- The Carnet process or Informal tariff item No. 9993.00.00 low risk authorization letter process do not change.
- Importers will continue to register an event with the CBSA in support of the Program (i.e. the current state process will be executed outside the CARM System).

Submission of Temporary Importation Form (Standard Flow)

TCPs will submit temporary importations via a new web-based form; the CBSA will be able to monitor and report on temporary importations using the CARM System

Estimated duties and taxes are used to calculate the security deposit and GST payable. These are paid using the Temporary Importation Form (i.e. no B3).



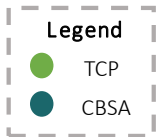
The Importer / Customs Broker receives a message indicating:

- A prompt to print two copies of the Temporary Importation Form for goods arrival processing;
- If the Importer participates in the RPP program, the amount being locked that acts as their security deposit **or** if the Importer is a 'cash' client and does not participate in the RPP program, that a security deposit may be required upon goods arrival processing; and
- The amount of GST payable, if applicable

If documentation and/or payment is required, the BSO will direct the TCP to the commercial office for processing. If there are no changes required to the Temporary Importation Form and the Importer participates in the RPP program, the BSO will stamp one copy of the Temporary Importation Form and cargo manifest, and return to the TCP who is then able to proceed from customs control. If there are no changes required to the Temporary Importation Form and the Importer is a 'cash' client and does not participate in the RPP program, the BSO may:

- Where no security deposit and GST is payable, perform the same steps outlined above; or
- Where a security deposit and/or GST is payable, access CARM, look up the Temporary Importation Form by the permit number, enter the required security deposit (if GST is payable, it will be automatically calculated by the CARM system), and allow entry in CARM. The BSO will then direct the Importer to the cashier to make payment. Once payment is made, the Temporary Importation Form and cargo manifest are stamped, enabling the Importer to proceed from customs control.

If changes are required to the Temporary Importation Form (e.g. to the estimated expiry date), regardless of whether the Importer participates in the RPP program, the BSO would direct the TCP to make any required changes before allowing entry and/or directing the Importer to the cashier.



Commercial vs. Non-Commercial Goods

Only commercial temporary importation use the Temporary Importation Form (BSF865); non-commercial temporary importations use the current process

Commercial Goods

- All commercial temporary importations will be documented in the CARM Client Portal and posted against the Importer RM account.
 - Non-Resident Importers (NRIs) will be subject to the same requirements (BN15) as all other commercial importers.
 - International Events and Convention Services Program requirements are still under consideration/analysis.
- The Temporary Importation Form can be prepared in the CARM Client Portal in advance of arrival or at the POE using the CARM Client Portal where available.
- The Importer or delegated Customs Broker will print and submit a hard copy Temporary Importation Form release package to a BSO.
 - Any changes required must be completed by the client within the CCP and resubmitted in hard copy to the Customs office.
- In cases where the Importer has deferred payment privileges (i.e. a Release Prior to Payment client), the temporary importation will lock a portion of the TCP's available credit for the full amount of the duties and taxes, including the GST/HST, which would be owed if the goods were being imported permanently. In cases where the Importer does not have deferred payment privileges (i.e. RPP), the BSO may collect a security deposit at their discretion. This security deposit can be collected as 'cash' using one of the approved CARM payment methods available at the POE/in-land office or via a separate Temporary Importation Bond that will be applied against the transaction.
- CBSA will stamp the Temporary Importation Form and cargo manifest, enabling the Importer to proceed from customs control.

Non-Commercial Goods

- Non-Commercial (without BN15) temporary importations will be documented outside of the CARM Client Portal using the current E29B process (i.e. traveller goods).

Acquittal

Many operational, program, and policy aspects of the process do not change under CARM

- Importers of temporarily imported goods are liable for all duties and taxes applicable on those goods unless they are subsequently exported or disposed of in accordance with legislation.
- CARM continuously monitors the expiry date of temporary imports. An automatic notification is sent to the Importer via the CARM Client Portal to alert of an approaching expiry, or if the permit has expired, notification of expiry if a request for extension has not been received.
 - A request for extension of the expiry date can be made through the CARM Client Portal if the new date does not exceed specified relief periods and/or the permit has not expired. Otherwise, the Importer / Customs Broker must contact a POE or in-land office. If GST is only partially relieved, the Importer will be responsible for making a payment for each additional month the goods will be in Canada. The additional amount owing is calculated through the Temporary Importation Form and posted to the Importer's accounts receivable sub-ledger for payment.
 - The procedures for expired permits remain the same (i.e. a designated employee responsible for monitoring temporary importation will contact the importer or Customs Broker seeking proof of export or payment of duty and tax on the goods).
- Export of Goods
 - The stamped copy of the Temporary Importation Form obtained upon entry must be presented for acquittal alongside another copy to be retained by the CBSA office. Other export/validation procedures remain the same.
 - In cases where the Importer is an RPP client, the amount of credit locked for the temporary importation is released. In cases where the Importer does not have deferred payment privileges, the security deposit is refunded to the client account.

Acquittal (Cont'd)

Many operational, program, and policy aspects of the process do not change under CARM

- If goods are diverted to a non-relief use (e.g. sold in Canada), full duties and taxes are payable.
 - The Importer must account for the goods on a Commercial Accounting Declaration.
 - The CAD together with any supporting documentation must be submitted alongside the stamped copy of the Temporary Importation Form obtained upon entry and another copy to be retained by the CBSA office.
- Aside from the change in the number of forms (stamped copy of the Temporary Importation Form obtained upon entry and another copy to be retained by the CBSA office), procedures for the destruction of goods, abandoned goods, and lost or stolen goods remain the same.



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Break

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End to End Walkthroughs Scenario #2: Payment Processing

















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Recap – CARM R2 Payment Options

As of CARM R2, the CBSA will have phased out legacy payment methods and transitioned to only accept payments electronically.

Payment Methods as of CARM R2				
	<i>Payment Method</i>	<i>Limit (in \$CAD)</i>	<i>Acceptable as of CARM R2?</i>	<i>Notes</i>
 Legacy Payment Options	 Physical cash	50K		<ul style="list-style-type: none"> To be phased out as of R2 go-live
	 Bank Remittances	Unlimited		<ul style="list-style-type: none"> To be phased out as of R2 go-live
	 Bank draft / Certified cheque	25M		<ul style="list-style-type: none"> To be phased out as of R2 go-live
 CARM R2 Payment Options	 EDI 820	Unlimited		<ul style="list-style-type: none"> No change from current state
	 Online banking (i.e. paying a bill online)	Unlimited*		<ul style="list-style-type: none"> No change from current state, BN15 used as account number
	 Credit Card & Interac (via CCP and at POE)	5K** (CC) 100K** (Interac)		<ul style="list-style-type: none"> Payments made on account, credits can be allocated via CCP
	 Pre-Authorized Debit (PAD)	100M**		<ul style="list-style-type: none"> PADs must be set by the account holder 10 business days prior to the payment due date

*Note: Unlimited unless specified by the financial institution facilitating the payment

**Note: Limit is the amount minus \$0.01

Recap – CARM Billing Cycles and Account Based Clearing

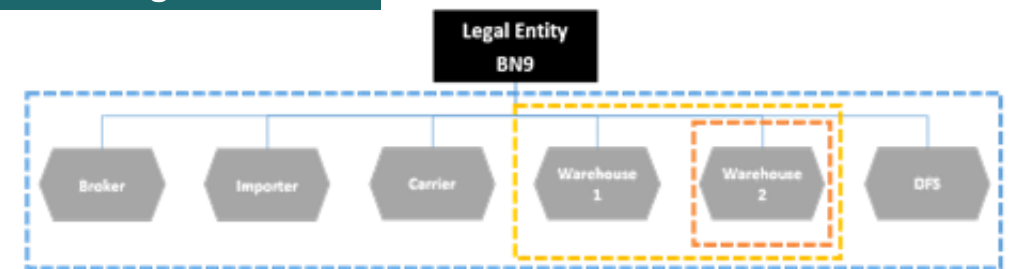
The alignment of the payment due date, and transition to account based clearing will eliminate current state accounting complexities for TCPs and the CBSA.

Timing	HVS/LVS – Commercial Stream	CLVS	CSA Option A	CSA Option B	CTC
CAD	5 business days after release	24 th of month 2	Until payment due date	Until payment due date	24 th of month 2
SOA	25 th of month 2 for all goods released between the 18 th of month 1 to the 17 th of month 2*	25 th of month 2 for all goods released in month 1*	25 th of month 2 for all goods released in month 1*	25 th of month 2 for all goods released between the 18 th of month 1 to the 17 th of month 2*	25 th of month 2 for all goods released in month 1*
Payment Due Date	10 weekdays** after the 17 th of month 2				
Correction Period	From CAD submission date to payment due date				
Adjustment Period	After payment due date onward				

Account Based Clearing:

- CARM R2 simplifies the clearing process for TCPs by moving to an account based model.
- Clearing will run nightly on all due debt according to the offsetting preferences established by the account holder (TCP).
- If desired, a TCP can choose to allocate and clear a credit against a specific transaction via the CARM Client Portal (CCP).

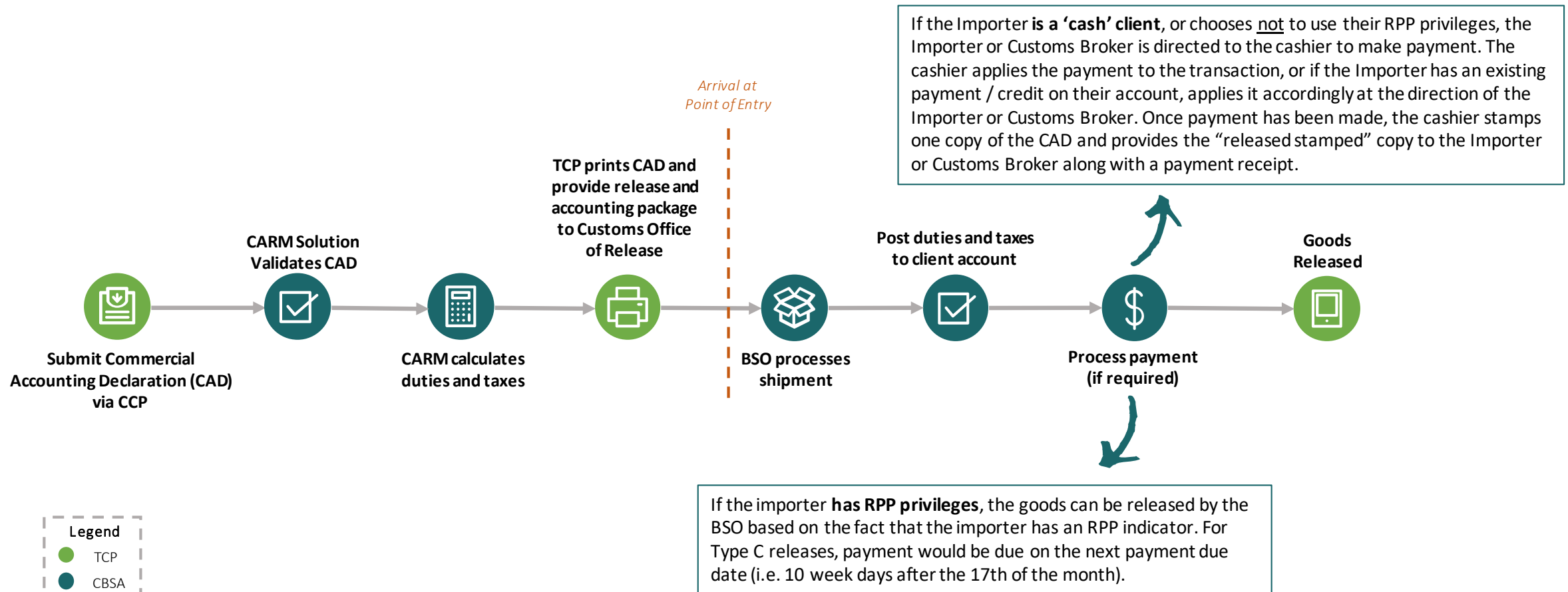
Offsetting Preferences



Offsetting preferences can be established at the: **account level**, **intra-program level**, or **inter-program level**

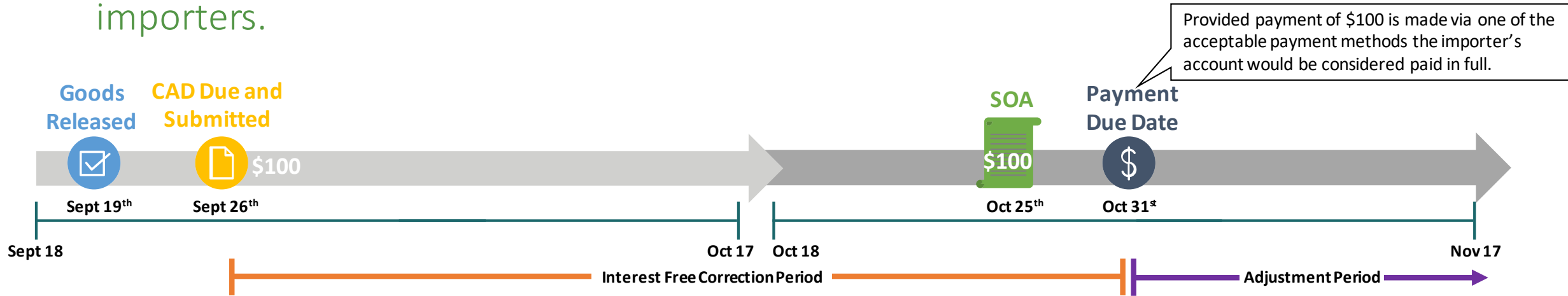
Scenario – Type C Payments (RPP and non-RPP)

This process covers CADs submitted to obtain release and provide accounting at the same time.



Scenario – CAD AB HVS/LVS Billing Cycle

This process covers AB type CADs submitted with a release on file and is for RPP importers.



September – October

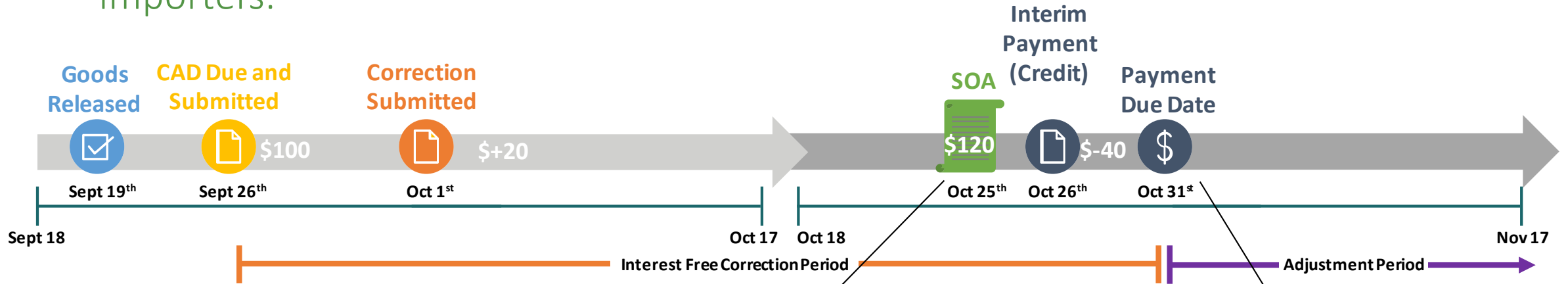
S	M	T	W	T	F	S
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

■ Goods released ■ CAD due ■ SOA
■ Billing cycle ■ Payment due

- **Goods released:** September 19th
- **CAD due date:** September 26th (5 business days after September 19th)
- **SOA generation date:** October 25th (25th of month 2)
- **Payment due date:** October 31st (10 week days from October 17th)
- **Correction period:** from September 26th to October 31st (from CAD submission date to payment due date)
- **Adjustment period:** from November 1st onward

Scenario – CAD AB HVS/LVS Billing Cycle

This process covers AB type CADs submitted with a release on file and is for RPP importers.



September – October

S	M	T	W	T	F	S
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

■ Goods released ■ CAD due ■ SOA
■ Billing cycle ■ Payment due

The SOA balance would show \$120 owing as it is reflective of the debt within the billing period. The interim payment on Oct 26th would not show on the SOA as the payment was after the SOA was generated.

If the TCP we're to review their account on the portal on Oct. 26-31, their payable balance would be reflective of the SOA (i.e. \$120), but their account balance would be \$80 as it shows the net of all current credits and debits.

The CAD submitted on Sept 26th with the correction on Oct 1st will become due on the payment due date. The interim payment will also offset on the payment due date. Provided payment of \$80 is made via one of the acceptable payment methods the importer's account would be considered paid in full.



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TCP Testing Process Update

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TCP Testing

TCPs will be a part of two cycles: Deep Cycle and TCP Certification

1

Deep Cycle Testing

Deep dive test CARM R2 functionality with a representative group of TCPs to ensure key business scenarios are working as designed.

2

TCP Certification

Certification is the process of updating TCP profile data, working with the individual TCP's to perform / pass a specific test protocol in the test system.

Deep Cycle Testing

Deep dive test CARM R2 functionality and confirm functionality works as designed.

Scope / Details

- Comprehensive set of test scenarios covering key functionality between TCPs and CARM system to ensure our TCP solutions work to serve our business.
- Representative sample of TCPs will be selected for testing (10-15) – selection by random selection of volunteers.
- Scenarios will be reviewed with TCPs for completeness and validity – feedback will be welcomed!
- Includes EDI and API connections.
- Identify and correct defects.
- Identify / document change or improvement opportunities for future consideration.

What we're doing

- Creating high-level scenarios to be tested from ECCRD.
- Designing intake process for enrolment of testing.
- Creating testing system landscapes, connections and integrations.
- Creating mapping of data requirements for testing scenarios.

What to expect going forward

- Request to volunteer for Deep Cycle Testing (sent from CARM Engagement mailbox) – *End of July*
- Once participants have been selected, workshops to provide feedback on scenarios - *September*
- Detailed sessions on Deep Cycle Testing process – *September*
- Details for enrolment process / system set up for testing execution - *September*

Timeline

Deep Cycle Testing

ACTIVITIES	July	August	September	October	November	December
Design <ul style="list-style-type: none"> • Test scenarios and test cases • Test package • TCP Enrolment • Testing process 	█					
Build <ul style="list-style-type: none"> • Test scenarios and packages • Update systems (SAP, B2B, etc.) for TCP data • Workshops for testing scenarios • Data required for testing 		█				
Kick-off <ul style="list-style-type: none"> • Communicate testing processes and logistics • Check system readiness 			█			
Pre-Test <ul style="list-style-type: none"> • Ping test to ensure connection between TCP environment and CARM • Integration test 				█		
Execute Testing <ul style="list-style-type: none"> • Execution period • Capture / Fix defects • Capture results 					█	

TCP Certification

Ensure the TCP's systems function correctly and efficiently with the new CBSA CARM solution.

Scope / Details

- Update CBSA systems for TCP information and run specific testing scenarios.
- Specific testing against submissions of CADs and receipt of DN / SOA.
- TCPs will validate the data is processed correctly and is represented accurately on their Daily Notice (DN) and Statement of accounts (SOA).
- TCPs with a direct connection and API to CARM will be certified.
- Capture enrolment information for TCP's to be used for testing and post go-live.
- Software and Service Providers will be certified.

What we're doing

- Designing enrolment process and form for capturing key information pre-Go-Live of R2.
- Creating test scenarios to be executed for certification.
- Creating testing system landscapes and updating configurations.

What to expect going forward

- Detailed consultation sessions on certification process - *September*
- Distribution of Enrolment Process - *September*
- Workshops to provide feedback on certification scenarios - *October*

Timeline

TCP Certification

ACTIVITIES	July	August	September	October	November	December	January	...
Design <ul style="list-style-type: none"> • Test scenarios and test cases • Test package • Consultation sessions for scenarios / testing processes • Data requirements 	█			█				
Build <ul style="list-style-type: none"> • Test scenarios and packages • Update systems (SAP, B2B, etc.) for TCP data • Data required for certification 			█					
Test <ul style="list-style-type: none"> • Test system made available to TCPs • Test TCP Process, scenarios and system connection with subset of TCPs 						█		
Kick-off <ul style="list-style-type: none"> • Communicate testing processes and logistics • Check system readiness 							█	
Enrolment/ Scheduling <ul style="list-style-type: none"> • Capture enrolment information of TCPs and update systems (SAP, B2B, etc.) 					█			
Execute Certification <ul style="list-style-type: none"> • Schedule Tests • Execute Tests • Certify TCP 							█	



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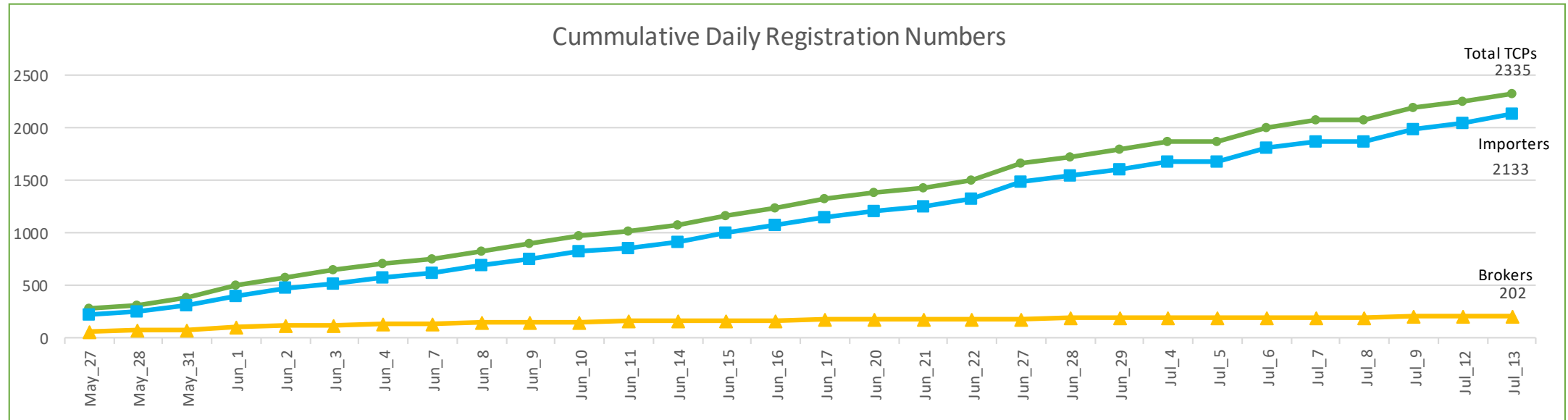
TCP Portal Onboarding Update

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Trade Chain Partner Portal Onboarding Status

2335 TCPs have registered on the portal to date

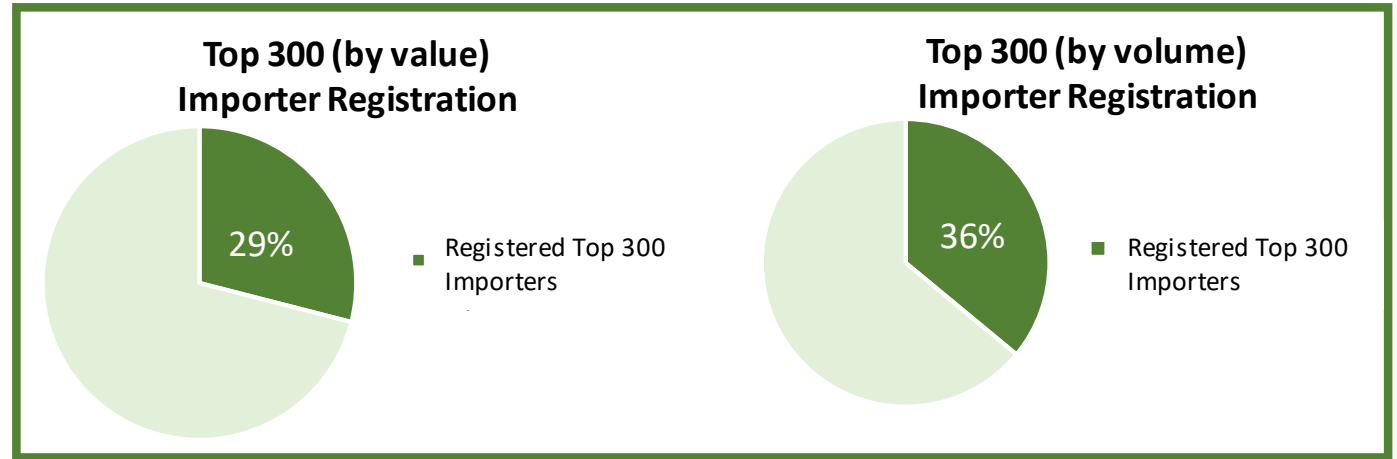
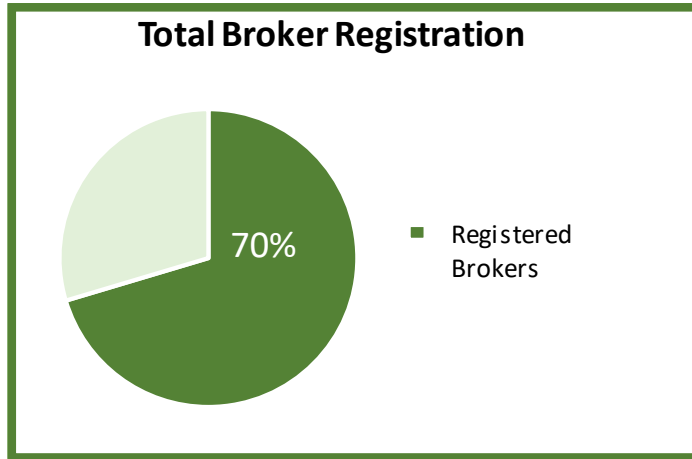


Registration Numbers								
		Last 2 Weeks (June 30 to July 13)	Prior 2 Weeks (June 16 to June 29)	Month over Month			YTD	
				May	June	July		August
All TCPs		543	836	379	1413	543	-	2335
Brokers	All Brokers	10	66	75	117	10	-	202
	Top 30 Brokers (value)	0	5	22	8	0	-	30
Importers	All Importers	533	770	304	1296	533	-	2133
	Top 3000 Importers (value)	83	128	64	251	83	-	398
	CSA Importers	11	14	2	47	11	-	60

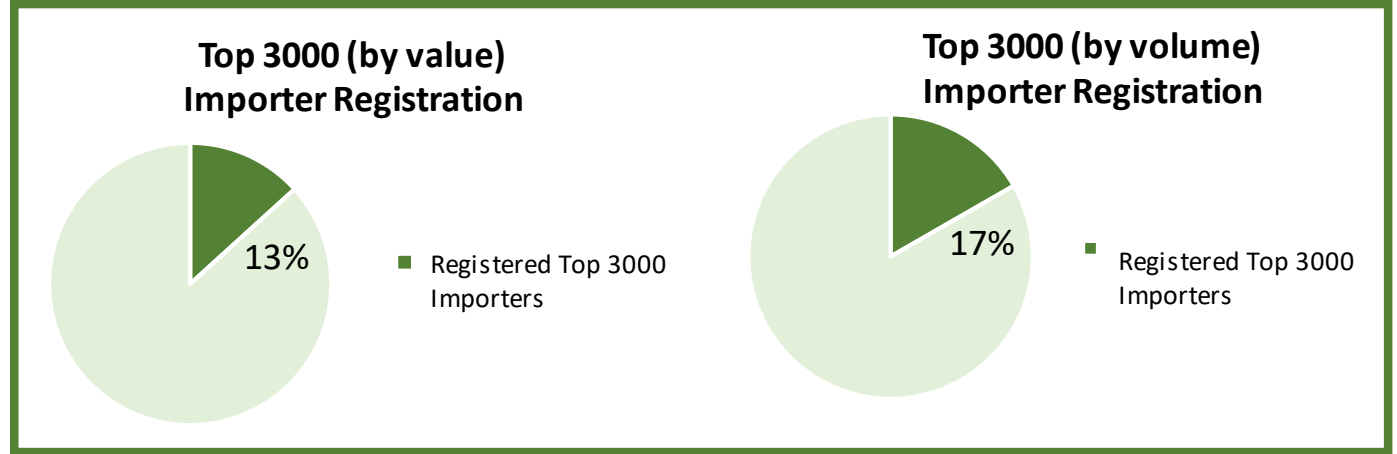
Updated July 14, 2021

Trade Chain Partner Portal Onboarding Status

Registration is consistently increasing across brokers and importers



- Highlights**
- Strong registration from Brokers continue with all of top 30 Brokers registered.
 - 151 Brokers have submitted client list files and as a result 479,139 delegation of authority requests have been sent to Importers



Updated July 14, 2021

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 (by volume) make up >80% of Total Broker Volume and Top 3000 Importers (by volume) make up 79% of Total Importer Volume.



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Conclusion

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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
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