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Trade Chain Partner Working Group (TCP WG)

DRAFT – FOR DISCUSSION PURPOSES ONLY

March 30, 2022

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CARM | CBSA Assessment and
Revenue Management

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.

Agenda

Topic	Speaker and Support	Timing
Technical Rules of Engagement	Kevin Horseman	9:00AM - 9:05AM
Opening Remarks / CARM Project Updates	Mike Leahy	9:05AM – 9:20AM
TCP Readiness Update	Kim Campbell	9:20AM - 10:00AM
Financial Security at R2	Jimmy Fecteau / Valéry Sina Ba	10:00AM - 10:30AM
SAC Presentation on Surety Bonds	Sharon Clark-Koufis	10:30AM - 10:50AM
Break		10:50AM – 11:00AM
Portal Demonstration	Vicky Chau	11:00AM – 12:20PM
CES Update	Kerri Schleppe	12:20PM – 12:50PM
Q&A / Roundtable	All	12:50PM - 1:00PM



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Opening Remarks / CARM Project Updates

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Opening Remarks / CARM Project Updates

- Release 2
- CSA & CLVS Working Group meetings
- Addressing Onboarding Challenges
- Rulings



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TCP Readiness Update

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Trade Chain Partners - State of Readiness Industry TCP's – March 30, 2022

Work In Progress:

- Rulings module visibility issue. Brokers/consultants losing access/visibility to original submissions and subsequent decisions of CBSA. **Work In Progress**
- RPP (Release Prior to Payment Privilege).
- Client Experience Simulation.
- Data Matrix/CAD – Still Pending – **Industry to Provide What Would Like to Cover**
 - Need comprehensive review of data elements.
 - CAD not feasible as presented.
 - WCO data elements – level set understanding.
- Payment process.

Trade Chain Partners - State of Readiness Industry TCP's – March 30, 2022

Key Areas:

R1 – May 25, 2021

- Status update to include uptake numbers, onboarding challenges (i.e. notifications not working). **Standing request.**
- **New – What is the one point of truth – CPP? (i.e. De-Activation of Inactive User)**
- Status update of ARL clean up. TCP feedback on current process. **New-Misallocated vs. Unallocated (Have question into CBSA).**

Technical Support – June 23, 2021

- Need a complete and accurate ECCRD. 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 still need support on ECCRD and policy revisions.
- Review of testing plan. Testing is supposed to start August/September 2021 ***New – Requesting Status Update**
- API Limitations (Exchange Rate and Tariff) – When can access, limitation on returns and queries.

Trade Chain Partners - State of Readiness Industry TCP's – March 30, 2022

Key Areas con't:

Technical Support con't.–

- API Limitations (Exchange Rate and Tariff) – When can access, limitation on returns and queries.
- State of Deep Cycle Testing. *New*
 - No completed test scenario and not a TCP issue.
 - Many large scale issues identified and not resolved.
 - Do not believe CBSA is ready for CES based on Deep Cycle Testing experience.
- Luxury Excise Tax *New*
 - When will requirements to include revised ECCRD be available and ready for testing in CARM?

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Key Areas con't:

Operational Workflow

- 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. *Has been some progress.*
- Provide option for carrier/broker to submit line item detail with transmission to eliminate need to provide recap. How is the subset recap submitted? *Added Feb. 2022*
- Status update for Temporary Imports (registered Trade Shows) – Added Feb. 2022
- *Type 10 Entries – CARM proposed design is not feasible. New*

Regulatory Package – Outstanding Issue

- Respecting “Cabinet Confidence” need to have visibility and understanding of the main components of these changes including timelines.
- What will be the difference under the Customs Act between a correction and an adjustment? What will be the legislative authority for corrections? How do we appeal if CBSA is making the calculation and we are no longer self-declaring duties and taxes? *New*

Trade Chain Partners - State of Readiness Industry TCP's – March 30, 2022

Key Areas con't:

Enterprise Risk & Corporate Security – Added Feb. 2022

- Industry continues to express concerns utilizing AWS platform and not government cloud farm.
- Requesting assurance CBSA can protect data. Acknowledge receipt of updated fact sheet.
- Playbook required outlining how CBSA and Deloitte will manage Enterprise Risk and Corporate Security.
 - Business Continuity/Resumption Processes.
 - What is the business continuity plan?
- **Communication Outreach Strategy**
 - What is the plan to notify TCP/s when there is a breach of information?

Data Matrix/CAD – Still Pending

- CAD (document) not feasible as presented.

Trade Chain Partners - State of Readiness Industry TCP's – March 30, 2022

Key Areas con't:

CARM Portal – Added Feb. 2022

- Portal affinity questions are cumbersome and difficult to provide the right response when there is more than one broker or the AR remains unreconciled.
- Why is there another level of authorization required outside of the GAA between the broker and importer to work with CBSA to establish the CARM client portal?
- ***Playbook required for CARM portal*** ; portal screenshots and associated detail with how to use those screens. Illustrating cancelled CAD's, BCN changes etc.,
- Delegation of authority –concerns over the way the delegation is granted and cannot be segmented i.e. importer chooses to only provide customs broker authority to submit a CAD.

CBSA Coordination – Ongoing Challenge

- Need to ensure not overlapping of meetings with other CBSA meetings and events.
- Can we establish a reasonable advance notice criteria? New
- Need to ensure not competing large scale projects at the same time.

Additional Items Raised by TCP Members



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Financial Security at R2

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Release Prior to Payment

- The Release Prior to Payment (RPP) is a privilege that entitles an importer who has posted financial security to:
 - obtain the release of goods from the CBSA before paying duties and taxes;
 - defer accounting for goods; and
 - defer payment of duties and taxes.

- Without RPP privilege, an importer is required to declare goods and pay applicable duties and taxes, at the time of entry into Canada.

RPP Requirements at R2

- All Importers looking to obtain RPP privileges will be required to enrol in RPP and post financial security.
- Release 2 will enforce an Importer liability financial security model:
 - All Importers who wish to participate in the RPP program need to **provide an accepted form of financial security**.
 - Importers will no longer be allowed to use their Broker's security to participate in RPP.
 - Customs brokers will enrol in RPP as importers to account for casual (non CLVS) goods in the commercial stream;
 - Couriers will enroll in RPP as importer to account for casual goods in the CLVS stream.
- CARM will facilitate the process for capturing financial security via the CARM Client Portal (CCP) and an Application Programming Interface (API) connection with CBSA (for Customs Bond providers).
- The CCP will provide functionality for Importers to monitor their financial security.

Financial Security Formula and Timeframe

RPP Security Formula

Security for RPP can be provided in the form of a bond or cash deposit. An importer's requirements for each are as follows:

1. Post a **Customs Bond** for 50% of their highest monthly AR with a minimum floor of \$25,000 per RM. For example,
 - if an importer's highest monthly AR is \$100,000, they will be required to post a bond for \$50,000; or,
 - if an importer's highest monthly AR is \$20,000, they will be required to post a bond for \$25,000.
2. Post a **Cash Security** for 100% of their highest monthly AR with no minimum required. For example, if an importer's highest monthly AR is \$5,000 or \$30,000, they will be required to post a cash security for \$5,000 or \$30,000, respectively.

The maximum financial security remains at **\$10M by RM account**

RPP Security Calculation Timeframe

- When enrolling for the first time, the security calculation will be based on the 12 months period preceding the enrollment date for the highest monthly AR. Subsequently, the calculation will be updated on October 15th based on the review period from July 25th to July 24th
- For importers without 12 months of history an estimation will be permitted as it is today.



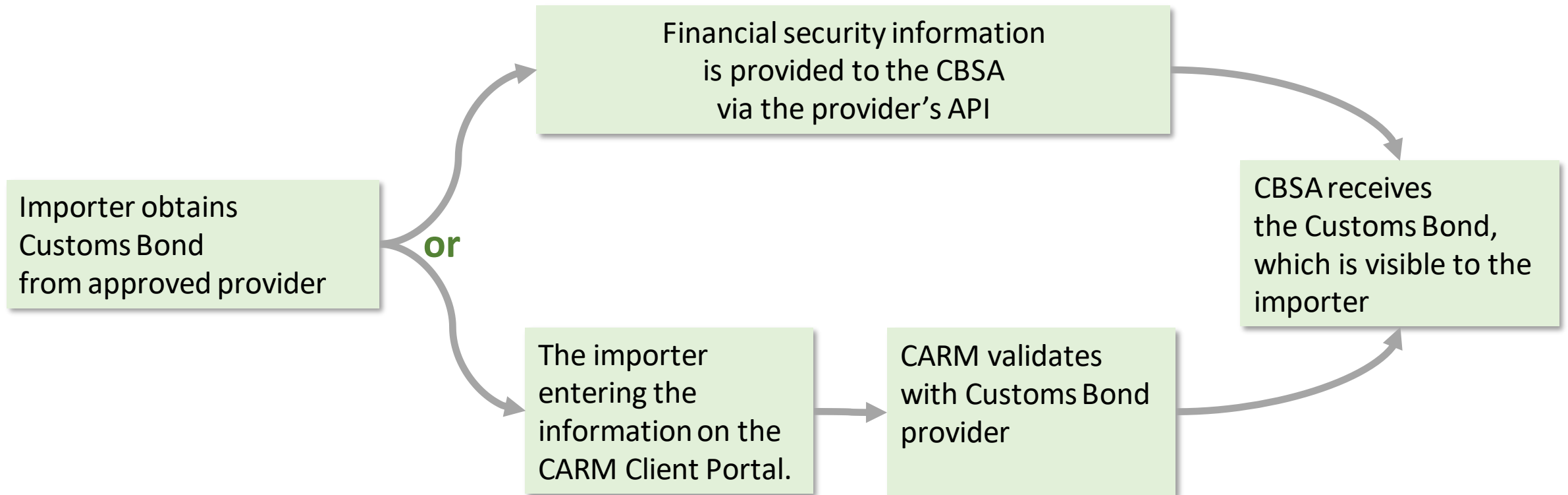
Accepted Forms of Financial Security at CARM R2

Customs Bond (electronic)

Cash Security (electronic)

Legacy Security forms

Customs Bond (Electronic) - Workflow



Customs Bond (electronic) – accepted providers

According to the [D-memorandum D1-7-1](#)

(d) a bond issued by either of the following:

(i) a company that is approved by the Treasury Board as an entity whose bonds may be accepted by the Government of Canada. Please refer to [Treasury Board Contracting Policy](#), Appendix L.

(ii) a member of the Canadian Payments Association (CPA) as referred to in section 4 of the Canadian Payments Association Act. Please refer to the Canadian Payments Association website.

(iii) a corporation that accepts deposits insured by the Canada Deposits Insurance Corporation or the Régie de l'assurance-dépôts du Québec to the maximum permitted by the statutes under which those institutions were established.

(iv) a credit union as defined in subsection 137(6)(b) of the Income Tax Act (CPA membership must be through a central co-operative).

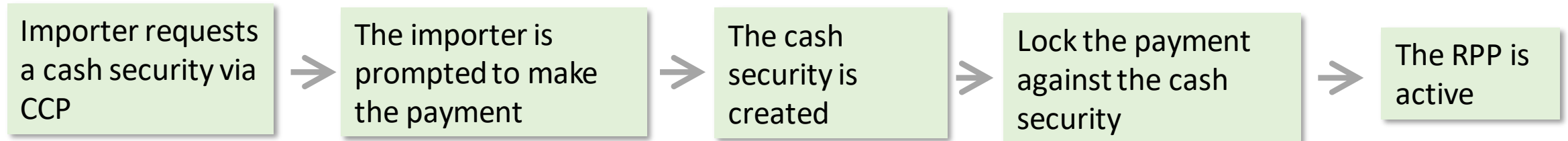
(v) a corporation that accepts deposits from the public, if repayment of the deposits is guaranteed by Her Majesty in right of a province

Continuous Bonds vs Set Duration Security

- **Continuous Security:** Continuous bonds are Customs Bond that automatically renew and expire only when they are cancelled or claimed. They benefit businesses who regularly import goods. The required value of a continuous bond will be updated every 12 months based on the historical AR from that period.
- **Set Duration Security: Customs Bond** that **has a set duration** (i.e. a set start-date and end-date). They benefit businesses that import on occasion, such as if the business only has a few big commercial imports a year around the same time.

Accepted forms of Financial Security at CARM R2

Cash Security (electronic)



➤ Refundable Deposit:

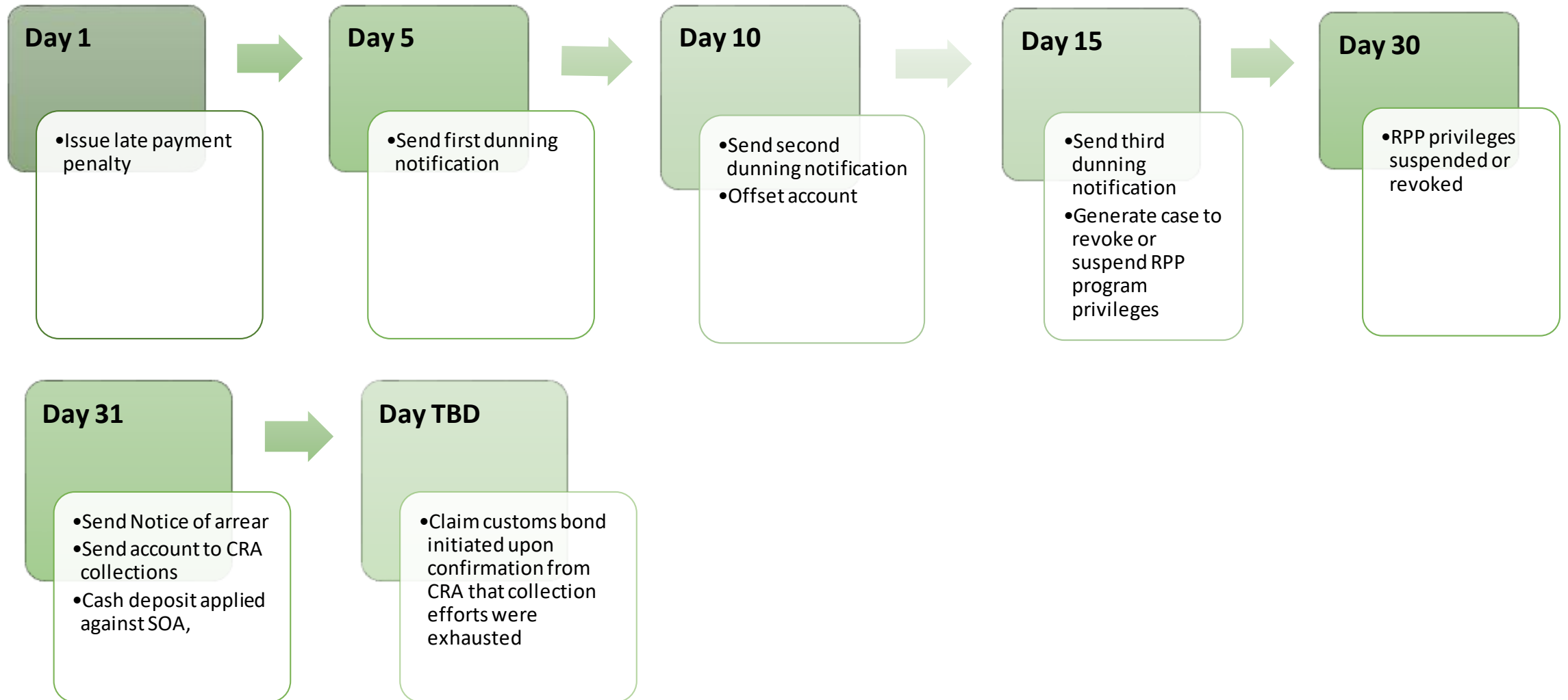
- If the Cash Security is no longer required (e.g. disenrollment from RPP, reduction of activity), the TCP can reduce a portion or total of the cash security via CCP, which will result in a credit on the account.

Financial Security Monitoring and Nudging Process

An overview of the systematic monitoring and nudging framework is as follows:

Culpability	Utilization	Notification	Timing	Notification
Voluntarily Compliant	>75%	Nudge	Day 0	Notification will highlight the security utilization limit may be reached soon, and the importer should make a payment on their account or increase their security.
Trying to Comply	>100%	Second nudge	Day 0	Notification will highlight that the security utilization limit has been reached and to make a payment on their account or increase their security.
		Third nudge	6 th day	Notification will highlight above.
Avoiding Compliance		Fourth nudge	10 th day	Notification will highlight above.
Resisting Compliance		Fifth nudge	25 th day	Notification will highlight the CBSA will be initiating a case to determine if the RPP should be suspended or revoked.

RPP Collection activity



Summary of changes for importers

	Currently	At CARM R2
Customs bond calculation formula	<ul style="list-style-type: none"> ➤ For importers: 100% of average monthly duties and taxes (excluding GST) over prior 12 months 	<ul style="list-style-type: none"> ➤ 50% of highest month of duties and taxes (including GST and all debts (ARs) that are posted on the account) over prior 12 months
Cash security	<ul style="list-style-type: none"> ➤ 100% of average monthly duties and taxes (excluding GST) over prior 12 months 	<ul style="list-style-type: none"> ➤ 100% of highest month of duties and taxes (including GST and all debts (ARs)) over prior 12 months
Minimum requirement	<ul style="list-style-type: none"> ➤ The minimum security requirement to transact business at all CBSA offices in Canada is CAN\$5,000 	<ul style="list-style-type: none"> ➤ For Customs bond: \$25,000 per RM account ➤ For Cash Security: \$1

Summary of changes for importers (Cont'd)

	Before CARM R2 Go live	At CARM R2 Go Live
Maximum requirement	<ul style="list-style-type: none"> ➤ \$10M CAN 	<ul style="list-style-type: none"> ➤ \$10M per RM account
The review period	<ul style="list-style-type: none"> ➤ July 25 of the previous year to July 24 of the current year, to be completed by October 15th ➤ Manual review 	<ul style="list-style-type: none"> ➤ July 25 of the previous year to July 24 of the current year, to be completed by October 15th ➤ Review is automatically performed by the system
Account Receivable calculation	Duties and taxes (excluding GST)	Duties and taxes (including GST and all debts (ARs))
Release Prior to Payment (RPP) Options	<ul style="list-style-type: none"> ➤ Use a broker's account security ➤ Importer Direct Security Option ➤ GST Direct Payment Option 	<ul style="list-style-type: none"> ➤ Importers must provide their own security

Using the Services of a Customs Broker for Release Prior to Payment (RPP)

	Before CARM R2 Go live	At CARM R2 Go Live
RPP Security	Importers can continue using the Brokers Account Security	➤ Importers must provide their own security
Payment processing	<ul style="list-style-type: none"> ➤ Brokers can be mandated to make payments on behalf of the importer, either: <ul style="list-style-type: none"> ○ By CARM Client Portal (CCP) if they are granted the Delegation of Authority from the importer, or ○ By other accepted methods of payment listed in Memorandum D17-5-1 	<ul style="list-style-type: none"> ➤ Brokers can be mandated to make payments on behalf of the importers: <ul style="list-style-type: none"> ○ CARM Client Portal (CCP) if they are granted the Delegation of Authority from the importer, or ○ By other accepted methods of payment listed in Memorandum D17-5-1
Payment default and claims against Release Prior to Payment Security	➤ Claim against the broker's security for the transactions filed by the same broker	➤ Importers security regardless of who made the payment

Annex

Legacy security forms

- **Accepted Security forms before CARM R2 are:**
 - Cash, Certified Cheques and Money Orders,
 - Transferable bond issued by the Government of Canada,
 - Paper bond
- Not supported by the core functionalities of the CARM solution and would require a manual processing
- They can be accepted only in exceptional basis when the digital processing is not possible (e.g. system outage)
- The CBSA cannot guarantee any standard service time for processing the legacy Security Forms



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SAC Presentation on Surety Bonds

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Break

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Portal Demonstration

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CARM Experience Simulation: Scope, Execution and Support Strategies

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Execution Approach

- Manage simulation by using ~ 4 week sprints organized by client segments. Participants will be surveyed at the beginning and end of each sprint to gauge changes to level of confidence.
 - facilitates “staggered” participation based on TCP and CBSA readiness
 - ensures participation is time-boxed and full CBSA business coverage can be maintained for shorter, more focussed periods
 - participants will receive training as part of onboarding
- Key findings will be shared with the CARM TCP Working Group
- Results will be shared with business lines and CARM Project team members to address findings or gaps (i.e. procedural clarifications, training modifications).
- Pre-determined end date (currently targeting end of September 2022 assuming a start of the simulation execution in June 2022) to allow time to address simulation findings and focus on go-live prep activities.
 - Only critical changes would be considered to R2 go-live. Non-critical “enhancements” would be considered post-R2.
- Will establish a dedicated core “simulation” management team as the planning and running of the simulation is not covered by the current R2 plan.
- Will establish a “model office” that includes real CBSA business area users (including Regional staff) responding to business event triggers, in real time.

Scope Scenarios Summary (WIP)

Proposed Scope – Actions Grouping 1

BUSINESS MODEL & PROCESS AREAS

	Proposed Actions	TCPs Involved
<p>Client Master Data Enroll in Program</p>	<p>Participants must be pre-registered in the CARM Portal; have a BN9 and an RM (i.e. BN15)</p> <ul style="list-style-type: none"> Enrolment actions available include: <ul style="list-style-type: none"> Able to enrol in following Importer sub-programs: <ul style="list-style-type: none"> RPP - a TCP is able to successfully post a cash (portal) or surety bond (portal and API) <ul style="list-style-type: none"> a TCP is able to submit an RPP reduction request CSA importer – a TCP is able to successfully submit application and post a surety bond (portal and API) A TCP is able to enrol in the Duties Relief Program Financial Security Provider is able to enrol (RM to be mocked up for the portal) A Financial Security Provider is able to accept or reject a new or updated bond from a TCP Transporter (Air Carrier, Highway Carrier - TBC) A TCP is able to make program account data updates (both those that are automatic and that trigger a case) <p>The following programs ARE NOT available for enrolment simulation</p> <p>Programs</p> <ul style="list-style-type: none"> Customs Broker Customs Bonded Warehouse (CBW) Sufferance Warehouse (SW) Transporter (Carrier or Freight Forwarder) / Bonded Transporter) Duty Free Shops (DFS) Exporter/Customs Service Provider Other Third Parties (EDI Service Provider, Trade Consultant, Lawyer, Accountant, Foreign Exporter, Foreign Producer, Foreign Vendor, Shipping Agent or Marine Agent) <p>Sub-Programs</p> <ul style="list-style-type: none"> Electronic Data Interchange (EDI) Trade Incentives (Container Bank Program, Canadian Goods Abroad Program, Summary Accounting Program) 	<ul style="list-style-type: none"> Various based on programs included within simulation

Proposed Scope – Actions Grouping 2

BUSINESS MODEL & PROCESS AREAS

	Proposed Actions	TCPs Involved
<p>Manage Assessment Manage Corrections Manage Adjustments</p>	<ul style="list-style-type: none"> A TCP is able to submit the CAD Types AB, TT and F via EDI, web service or the portal <ul style="list-style-type: none"> Instance that triggers a late accounting penalty Importer and Customs Broker submissions CSA submissions before and after SOA generation Instance of submitting a CAD which pushes TCP over available financial security limit A TCP is able to submit a CAD with excise, surtax, safeguard, SIMA, and trade incentives (e.g. Duties Relief Certificate) calculations A TCP is able to submit the CAD Types C and V via the portal <ul style="list-style-type: none"> Simulate border experience for CAD Type C A TCP is able to submit the CAD CBW Types <ul style="list-style-type: none"> Inventory conversion A TCP is able to submit a correction <ul style="list-style-type: none"> Before and after SOA generation A TCP is able to submit an adjustment <ul style="list-style-type: none"> Adjustments that are systematically approved and those requiring officer approval Pre-CARM adjustment BN change and CAD cancellation A TCP is able to see CBSA-i initiated adjustments A TCP is able to submit required supporting documentation A CLVS importer is able to submit an adjustment including the recap sheet (as requested by CBSA through the portal) A TCP is able to submit a mass adjustment via the EDI and portal processes A TCP is able to submit a drawback claim (including summary of drawback activity by CSA Importer) A TCP is able to view their financial security cockpit including bond utilization A TCP receives notification based on financial security utilization 	<ul style="list-style-type: none"> Importers (including CSA, CLVS) Customs Brokers EDI Service Providers Trade Consultants
<p>Manage AMPs</p>	<ul style="list-style-type: none"> A TCP is able to receive and view a Notice of Penalty Assessment (NPA) A TCP is able to receive correction and decision and view a correction to AMP 	<ul style="list-style-type: none"> Importers (including CSA, CLVS)

Proposed Scope – Actions Grouping 3

	Proposed Actions	TCPs Involved
Manage Billing	<ul style="list-style-type: none"> A TCP is able to receive and view their DN, SOA, and CBSS via EDI and the portal (consider HVS / LVS, CLVS, CSA, CTC) A TCP is able to view their transaction history and account balance on the portal 	<ul style="list-style-type: none"> Importers Customs Brokers
Manage Appeals	<ul style="list-style-type: none"> A TCP is able to submit an appeal of a trade decision (i.e. origin, tariff classification, value for duty, marking, or advance ruling) and commercial enforcement action (i.e. AMPs, ascertained forfeiture, seizure, or third party appeal) <ul style="list-style-type: none"> Instance where CAD(s) have not been fully cleared, and the TCP must pay or post security Instance where a TCP must complete the Request for Extension (RFE) form Consider pre-CARM and higher-level appeal situations 	<ul style="list-style-type: none"> Importers Third Parties
Manage Collections	<ul style="list-style-type: none"> A TCP has CADs overdue <ul style="list-style-type: none"> Execute pre-collections activities (nudges, notices, NOA etc) 	<ul style="list-style-type: none"> Importers
Manage Compliance	<ul style="list-style-type: none"> CBSA opens a compliance case, sends nudges/messages/documents to TCP A TCP is able to view and respond to a program and trade compliance case, including sending documents 	<ul style="list-style-type: none"> Various based on programs included within simulation

Proposed Scope – Actions Grouping 4

	Proposed Actions	TCPs Involved
Manage Temp Imports (TBC)	<ul style="list-style-type: none"> A TCP is able to submit the Temporary Importation Form via the portal A TCP has the Temporary Importation Form acquitted 	<ul style="list-style-type: none"> Importers Customs Brokers
Manage Offsetting	<ul style="list-style-type: none"> A TCP is able to see results of offsetting preferences (account, intra-program, inter-program) 	<ul style="list-style-type: none"> Importers
Manage Trade and Revenue Reporting and Analytics	<ul style="list-style-type: none"> A TCP is able to run reports 	<ul style="list-style-type: none"> Importers Customs Brokers
TAPD Analytics	<ul style="list-style-type: none"> Actions under development, request for supporting documentation to be sent by TCPs through Portal 	<ul style="list-style-type: none"> Importers

Execution and Support Strategies – Onboarding

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Simulation Onboarding Strategy

For External Simulation Participants

- The approach for onboarding external simulation participants will, to a large extent, mimic what was completed for **CARM Release 2 Deep Cycle Testing**.
- External simulation participants will be on boarded up-front, prior to beginning the individual client segment sprints, to the greatest extent possible. This includes preparing and sharing client test scenarios, setting up client profiles and data seeding.
- Prior to the beginning of each sprint, the final step of enabling access will be completed. This includes performing any necessary whitelisting and a smoke test to confirm connectivity to the right environment, ensure the profiles are set up properly and verify that the data can flow.
- Below is a high-level description of the activities that must be completed to onboard external simulation participants:
 1. Confirm simulation participants, including external client business relationships.
 2. Confirm simulation scenarios and prepare test packages (TBC – mostly tests will be recommended as a “guide”).
 3. Complete master data and client profile set-up activities for external clients.
 4. Conduct necessary IP whitelisting to limit access from the Internet.
 5. Perform smoke test.
 - Before beginning the business capability scenarios, basic scenarios will be run to establish connectivity and responses.

TCP Requirements for the CARM Experience Simulation

To participate in the simulation, TCPs will require:

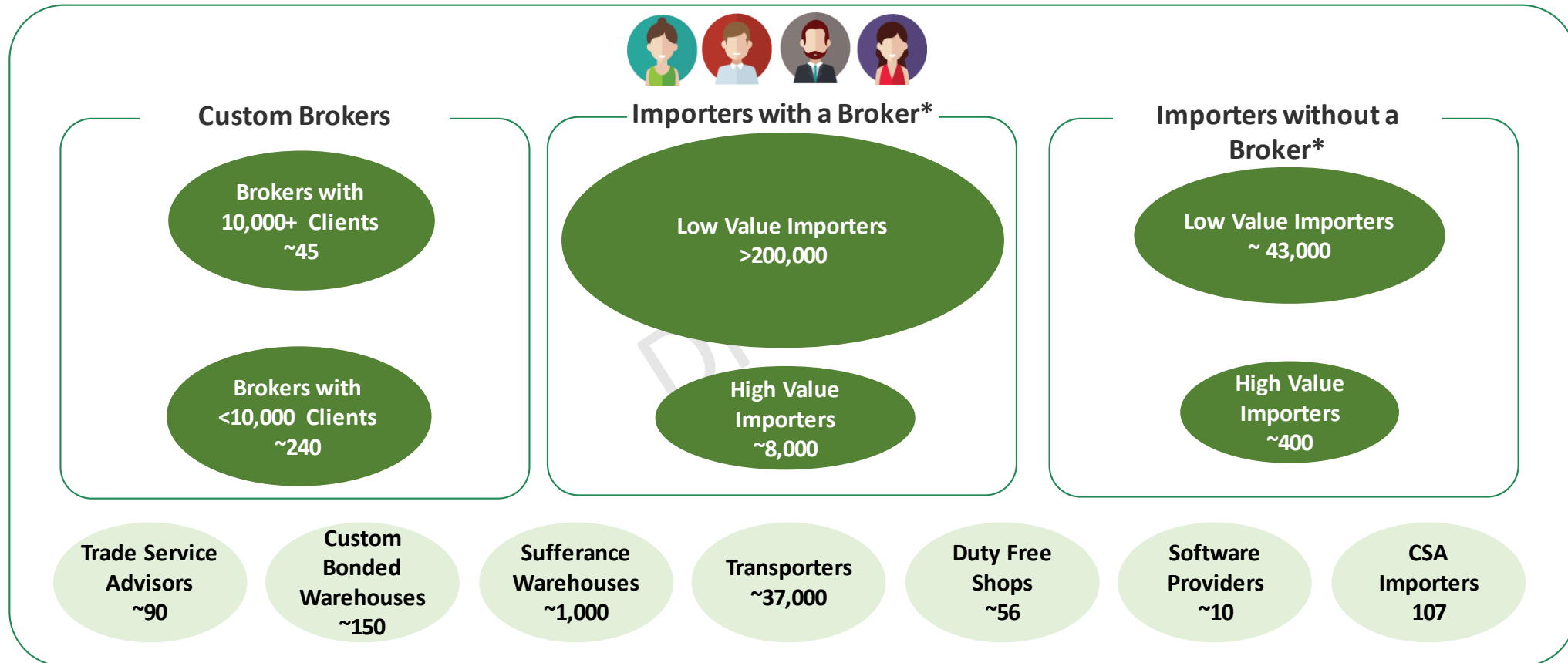
- A CARM Client Portal Account prior to April 30th, 2021 (TBC)
- Completion of Delegation of Authority, including Importer approval
- A BN15*
- Agreement to participate through signing of consent forms
- Access to a company VPN for participants testing through the CARM Portal
- Systems configured as per the ECCRD and a smoke test completed for participants testing through EDI/API

*A process will be established to provide a temporary BN15 to Financial Security Providers, Carriers and Custom Bonded Warehouses to participate in the CES

Participating Trade Chain Partners

CARM End State for External Stakeholders

There is a broad range of external stakeholders that will be impacted once CARM is fully implemented.



*Note: Importer numbers are not mutually exclusive

Profile of Proposed Simulation TCP Participants

APPROACH

USER TYPE

RATIONALE

- Will seek a cross-section of volunteers from the TCP communities (greatest impact in scope processes).
- Participants must apply, agree to share results with CBSA and TCP WG, and will participate in surveys and feedback processes throughout their involvement in the simulation.

- Large Brokers (EDI/API/Portal)
- Small Brokers (EDI/API/Portal)
- Large Importers (EDI/API/Portal)
- *Small Importers (Portal)
- Non-Resident Importers (NRI)
- **Surety Providers
- Carriers
- Custom Bonded Warehouse
- Trade Service Advisors

- Large brokers, willing to partner with a group of their importers and want to get a broader Client Experience and can share feedback with CBSA and TCP WG. Focus on scenario tests that are not covered in DCT (i.e. simple CADS), end-to-end process including Adjustments and Appeals.
- Portal submissions of the CAD were out of scope for DCT (limited to viewing docs only).
- Large importers with a focus on those that participate in CLVS and/or are CSA participants who want to get a broader Client Experience and can share feedback with CBSA and TCP WG. Focus on scenario tests not covered in DCT (i.e. simple CADS), end-to-end process including posting of Bonds, Adjustments, and Appeals.
- Portal submissions of the CAD were out of scope for DCT (viewing docs only). Focus on scenario tests - end-to-end process including posting of Bonds, Adjustments, and Appeals.
- NRI: For those that have already registered as a NRI and have a valid BN15 – TBC. Ideally these candidates would be partnered with a Broker. Likely limited to portal, as typically not EDI?
- Surety Providers are not included in DCT, and we should consider allowing them to test the sharing of Bond data with CBSA (requires the API, so perhaps scheduled late in the Pilot cycle)
- Focus on the program enrollment experience
- Not involved in DCT. Focus on warehouse inventory experience
- Not involved in DCT. Fulfill key delegated processes on behalf of their clients

*Recommend limiting to those that would partner with a Broker of record that has been delegated authority on the portal

**Surety Providers include surety companies and any other financial institutions that may be implicated in the issuance of financial security.

TCP Requirements for the CARM Experience Simulation

To participate in the simulation, TCPs will require:

- A CARM Client Portal Account prior to April 30th, 2021 (TBC)
- Completion of Delegation of Authority, including Importer approval
- A BN15*
- Agreement to participate through signing of consent forms
- Access to a company VPN for participants testing through the CARM Portal
- Systems configured as per the ECCRD and a smoke test completed for participants testing through EDI/API

*We are exploring mechanisms to provide a temporary BN15 to Financial Security Providers, Carriers and Custom Bonded Warehouses to participate in the CES.

TCP Representation in the CARM Experience Simulation

Stakeholder Group	Key Considerations	Proposed Number of TCP Participants
Brokers (Large)	<ul style="list-style-type: none"> ~300 total brokers (large-med-small) ~30 represent the majority of transactions 10% of the top 30 brokers would be 3 brokers then allowing for the different major service providers. Brokers with CSA and CLVS Importer clients will be important. Expeditor covers ~30% of the CSA community and they have expressed initial interest to participate. 	~10
Brokers (Small-Medium)	<ul style="list-style-type: none"> ~300 total brokers (large-med-small) Aim for volunteers from the bottom 10 of the annual A/R list Similar to large Brokers, aim for Brokers with different service providers Aim would be for the same level or higher number of participants to the large Broker category because the smaller Brokers would likely have less complex or standardized processes. More participants would allow for more variation in views and practices to be considered. 	~10
Importers (Large)	<ul style="list-style-type: none"> ~658 Importers have annual A/R above \$1M. 10% of this group would be 66 participants ~75 would provide enough variety in the group that the broader TCP community could feel represented that 'an organization like them was involved' For the minimum number of representatives to include from an internal confidence perspective, this could be a group of experienced, engaged and insightful representatives CSA and CLVS Importer representation will be important. 	~75 5 without brokers 70 with their broker (3-4 from each)
Importers (Small-Medium)	<ul style="list-style-type: none"> ~257,000 Small-sized importers (<\$100k annual A/R). ~5,277 Medium-sized Importers (\$100k to \$1M annual A/R) Mix of RPP and Cash clients within Small-Medium Importers. Important to include Importers without a Broker. Cross-country representation would be valuable (7 regions). 	~50 10 cash importers 40 with their broker (2 from each)
Non-Resident Importers (NRIs)	<ul style="list-style-type: none"> Similar scenarios would be tested by NRIs as the large Importers. Smaller stakeholder group therefore a smaller number of participants. 	~5
Surety Providers	<ul style="list-style-type: none"> Representation from the various industry types for financial security (surety, banks, etc.) 	~10
Carriers	<ul style="list-style-type: none"> Aim for representation in all the major modes of transportation. 	~20
Customs Bonded Warehouses (CBWs)	<ul style="list-style-type: none"> Aim for representation in different industries. Many CBWs will also be Importers and will test many of the Importer scenarios as well. 	~20
Trade Advisors/ Consultants	<ul style="list-style-type: none"> Seek diversity of participants aligned with various importers engaged Focused on ability to fulfill third party roles on behalf of their clients. 	~TBD (aligned with their importer(s))
TCP Total		~200



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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
- Join the email distribution list by emailing CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca



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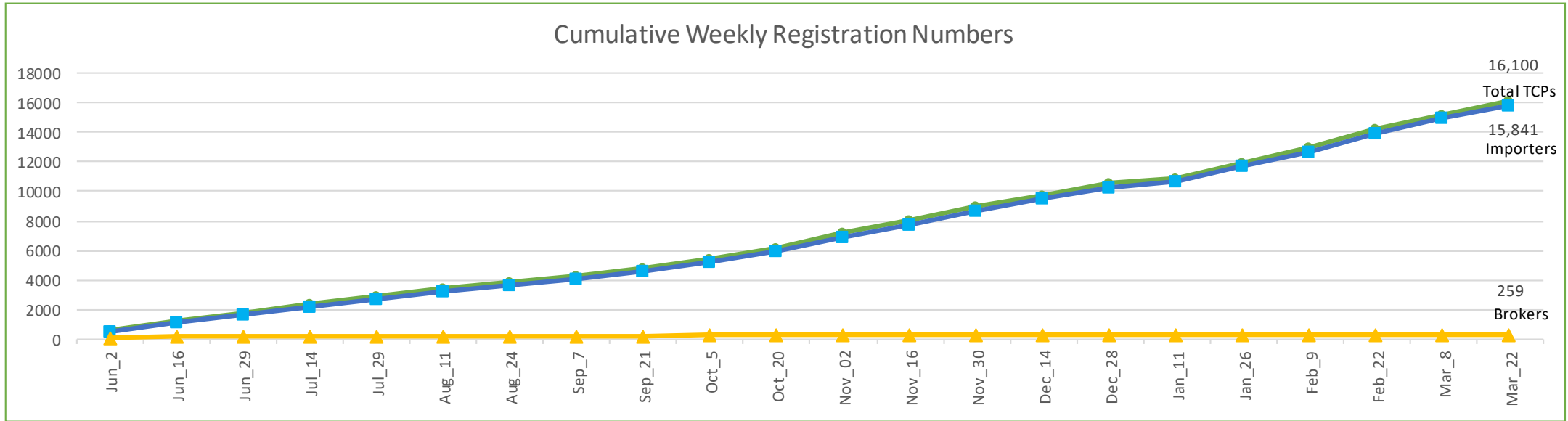
Appendix: TCP Portal Onboarding Update

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Trade Chain Partner Portal Onboarding Status

16,100 TCPs have registered on the portal to date



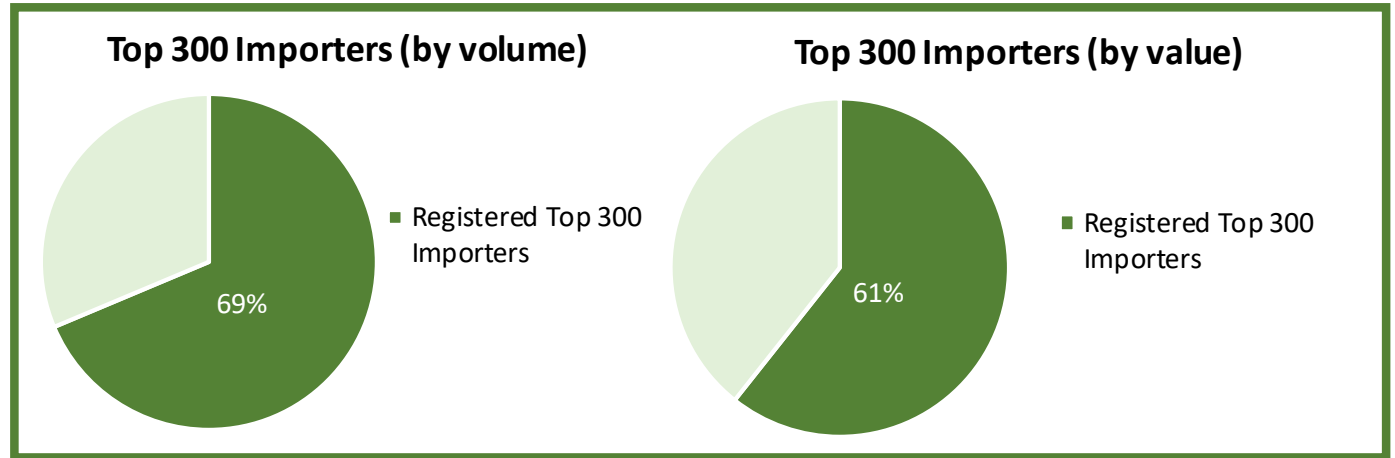
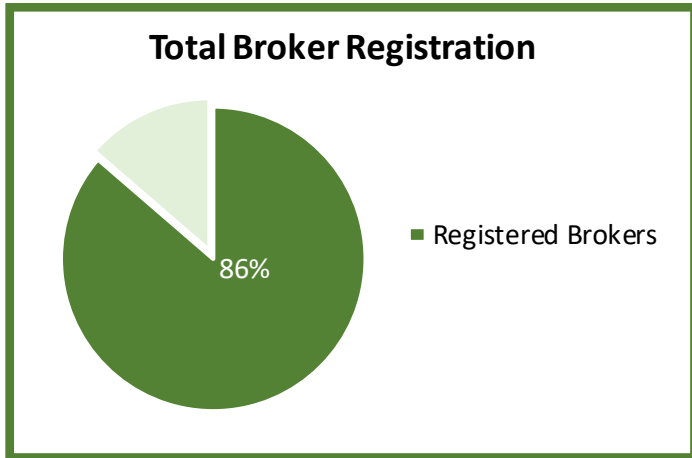
Registration Numbers								
		Last 2 weeks (March 9th to March 22th)	Prior 2 weeks (February 23rd to March 8th)	Month over Month			YTD	
				December	January	February		March
All TCPs		882	1008	1565	1810	2211	1557	16100
Brokers	All Brokers	0	1	1	3	2	1	259
	Top 30 Brokers (value)	N/A	N/A	N/A	N/A	N/A	N/A	30
Importers	All Importers	882	1007	1564	1807	2209	1556	15841
	Top 3000 Importers (value)	39	54	71	86	104	72	1400
	CSA Importers	0	0	2	0	0	0	76

Notes: Year-to-date registration total include registrations beginning from May 25th.

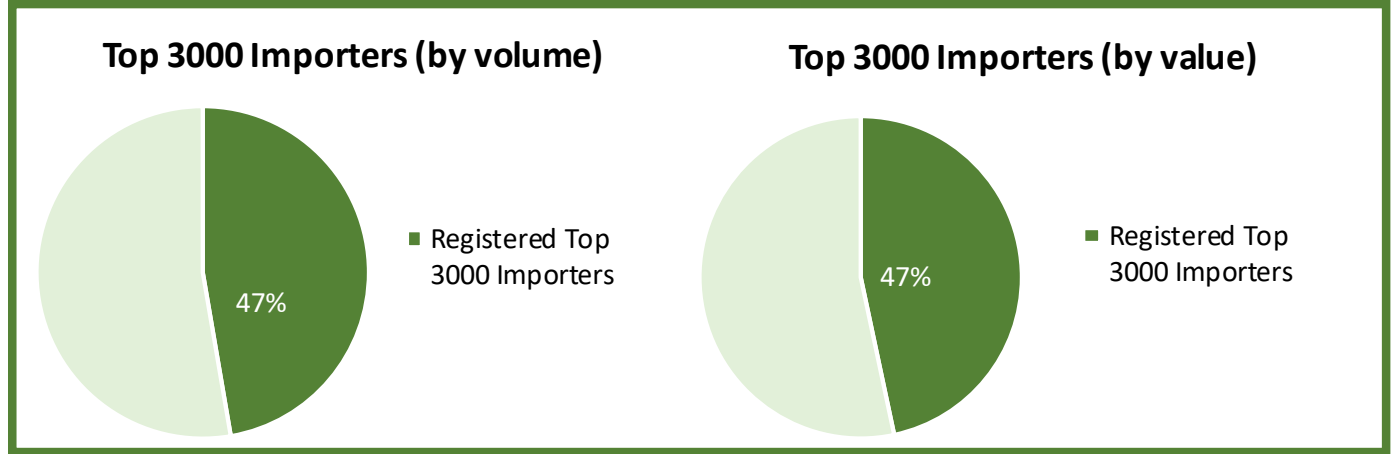
Updated March 23rd, 2022

Trade Chain Partner Portal Onboarding Status

Importer registration anticipated to continually grow as CARM onboarding webinars continue in 2022.



- Highlights**
- Associations and Brokers continue to promote CARM, as seen by the increase period over period in registration and the continued high registration rates at the Onboarding webinars
 - Awareness continues to grow. To provide registration support and R2 information, there will be 2 sets of webinars: Onboarding webinars and a new series on R2 Changes



Updated March 23rd, 2022

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