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 mute your phone again 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.

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Agenda

Topic	Speaker	Timing
Technical Rules of Engagement	Kevin Horseman	9:00AM – 9:05AM
Delegation of Authority Update and Demo	Ian Ives	9:05AM – 10:00AM
CARM Project Update	Lisa Anawati	10:00AM – 10:45AM
Financial Security – Pre-R2 RPP Onboarding	Jonathan Hopkins / Marcel Schlueter	10:45AM – 11:30AM
CARM Communications and Engagement Update	Kevin Horseman	11:30AM – 11:50AM
Roundtable and Conclusion	All	11:50AM – 12:00PM

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Employee access to service provider client

A service provider manager can assign their employees access to a client account using two methods: directly to the client account; or to all clients within a client group.

Access role assignment: service provider employees to their clients
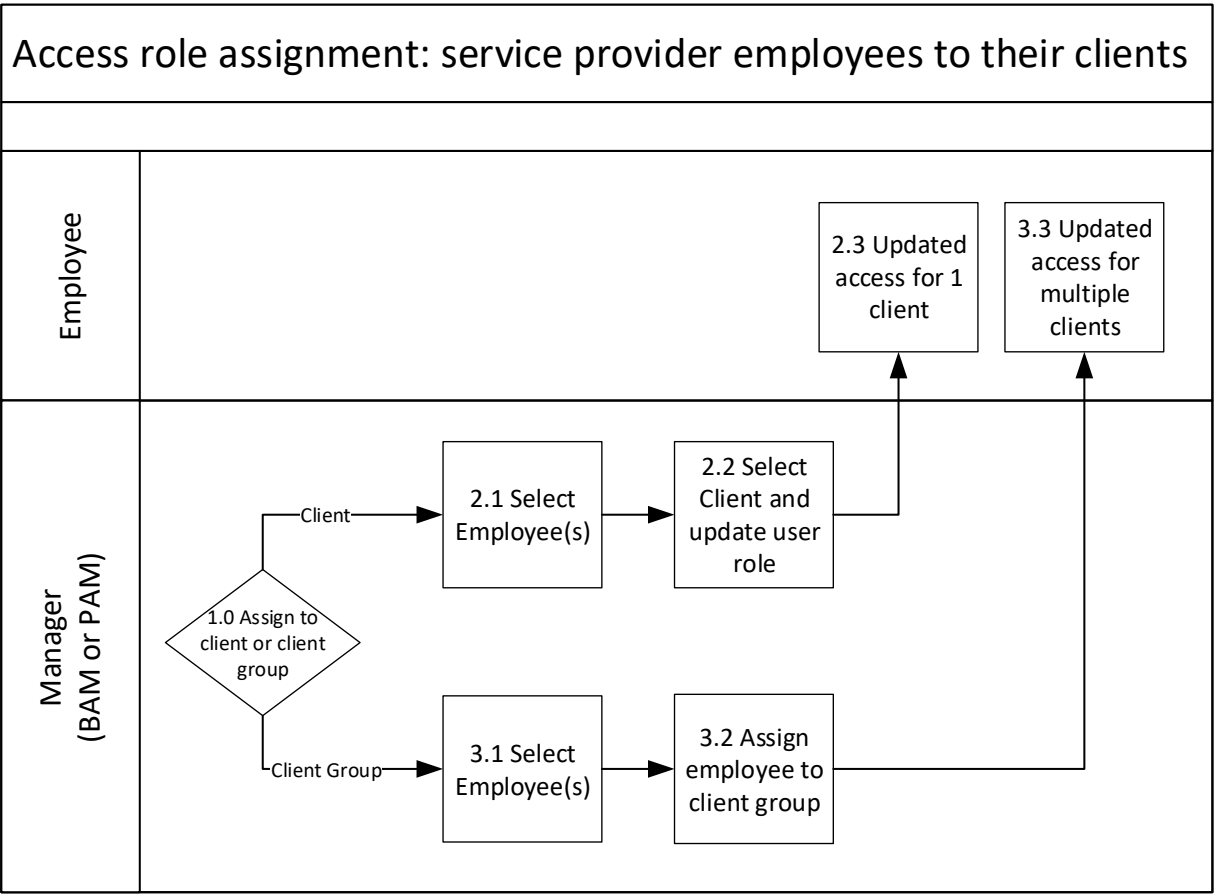
Seq	Description
1.0	Elect to assign employee access to a specific client or to a client group
2.1	Select service provider employees for role assignment
2.2	Select a single client and update the employees' user role for its programs
2.3	Employees have an updated access for a specific program of the client
3.1	Select employee(s) for role assignment
3.2	Assign employees to a client group and assign a user role
3.3	Employees have an updated access for all the delegated programs of the clients within the client group

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Client Group – Video

How to use the CARM Client Portal to create a Client Group and assign employee access

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Service provider relationships – File upload

A one-time file upload will allow customs brokers to set-up their client relationships and client groups to assist in the transition to the CCP.

File upload will initiate the following actions in the CARM Solution

- <u>Automatic</u>. Relationship request from the broker will be submitted to their importer clients.

- <u>Automatic</u>. Client Groups created for the broker. The importer clients will be automatically added to the group as each importer accepts their relationship request.

- <u>Manual Step by Broker</u>. Assign employees access roles to the groups created from file upload. All the broker's employees that conduct business on behalf of a importer will need to be granted access.

- <u>Manual Step by Importer</u>. Accept broker relationship request. Broker will not be able to conduct business on behalf of importer until request accepted.

Service provider BN9	Importer BN9	Client group	Service provider BAM user email
123456789	100000001	West market	userBAM@email.ca
123456789	100000002	West market	userBAM@email.ca
123456789	100000003	West market	userBAM@email.ca
123456789	100000004	West market	userBAM@email.ca
123456789	100000005	North market	userBAM@email.ca
123456789	100000006	Other	userBAM@email.ca
123456789	100000007	West market	userBAM@email.ca
123456789	100000008	Other	userBAM@email.ca
123456789	100000009	Other	userBAM@email.ca
123456789	100000010	North market	userBAM@email.ca
…	…	…	…

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DoA Questions

What is a filer?

- A filer is an employee's business account who submitted a transaction/request.

  - A request submitted by a customs broker employee on behalf of an importer will indicate the customs broker as the filer; or

  - A request submitted by an employee of the importer will indicate the importer as the filer.

When a customs broker submits a ruling requests on an importer's behalf, who will be able to see the ruling decision and notifications associated to the request? What about emails?

- The filer and the importer can access the request/transactions and its associated notifications.

- For a customs broker to access a request/transactions that was filed either by the importer or another customs broker, the importer would need to set a visibility attribute when defining the business relationship.

- The daily generic email related to new notifications on the portal are sent to subscribed & authorised (user's can opt out of receiving standard emails) users

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DoA Questions – continued

What do visibility attributes do? How does it impact which requests/transactions a customs broker can see from a client's account?

- The visibility attributes control requests/transactions a Service Provider user, with assigned access, can view. The visibility attributes are listed as follows:

  - **Submitted by the Service Provider**:   All requests or transactions that an employee of the service provider submitted on behalf of their client (default setting <u>always enabled</u>).

  - **Submitted by the Client**: All requests or transactions that an employee of the client submitted on their own behalf.

  - **Submitted by other businesses**: All requests or transactions that an employee of another service provider submitted for the client within the constraints of a separate business relationship.

How will a Broker manage their employee access after go-live as part of ongoing operations?

- Onboarding, removal and changes to user access will be completed on the CCP using the admin interface. All changes to employee access must be completed by the BAM or PAM.

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CARM Project Update

- Release Plan

- ECCRD & EDI Playbook

- CLVS

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*** Draft concepts are provided for discussion and are subject to change ***

Q&As from recent discussions

	QUESTION	ANSWER
1	What will the specific RPP security requirements be as of CARM R2 go-live?	Importers will be required to maintain a minimum surety bond of 50 percent of their highest monthly accounts receivable (inclusive of GST) based on the previous 12 months, with a minimum bond of $25,000 and a cap of $10 million. If an importer chooses to post cash instead of a surety bond, no reduction will apply and an importer must post 100% of their highest monthly accounts receivable. The CARM solution will track and monitor RPP bond utilization in real-time, as well as nudge importers who are approaching or beyond their limit based on current AR and security posted. It is incumbent on the importer to maintain adequate security to cover their accounts receivable per the requirements above.

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Q&As from recent discussions

QUESTION	ANSWER
2 What happens when a shipment comes across that puts an importer over their security limit? Will it be stopped?	As of CARM Release 2, CBSA will be monitoring the amount of financial security posted by clients relative to their security limit. If a client is close to going over their security limit, they will be nudged (notified) by the CARM system according to the table on the following slide. If the client does not pay their account or increase their security, they risk being suspended from the RPP program. In this case, if the TCP gets suspended from the RPP program, their shipment would be stopped at the border. It should be highlighted the table represents (following slide) the CARM system actions that will be taken. In addition to the below, the Agency will be holistically reviewing compliance and taking corrective action where necessary.

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Q&As from recent discussions

Culpability Framework	Security Utilization	Notification	Timing	Impact on RTC score	Notification
Voluntarily Compliant	>75%	Nudge	Day 0	None	• 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	None	• Notification will highlight that the security utilization limit has be reached and to make a payment on their account or increase their security. Failure to act could result in affecting their RTC score or suspension of privileges.
		Third nudge	6th day	Negatively impacts RTC score	• Notification will highlight that the security utilization limit has be reached, to make a payment on their account or increase their security, and their RTC score has been impacted. Failure to act could result in further affecting their RTC score or suspension of privileges.
Avoiding Compliance		Fourth nudge	10th day	Negatively impacts RTC score	• Notification will highlight that the security utilization limit has be reached, to make a payment on their account or increase their security, and their RTC score has been impacted. Failure to act will result in further affecting their RTC score and potential suspension from the program.
Resisting Compliance		Fifth nudge	25th day	Negatively impacts RTC score	• Notification will highlight that the security utilization limit has be reached. A case will be generated for decision to determine if the client should be suspended from the RPP program.

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Q&As from recent discussions

	QUESTION	ANSWER
3	How will the solution know whether an importer has a bond or is in the RPP program?	There will be a bonded indicator in the CARM solution to note the importer has posted a bond and is a participant in the RPP program. In the interim solution, all importers who obtain a bond with a surety company will be granted into the RPP program at Release 2 go-live and a bonded indicator applied to their account to facilitate release at the border. As of Release 2 go-live, importers will enrol in the RPP program directly on the portal. Once they have posted the required amount of security, they will be accepted into the RPP program and a bonded indicator will be applied to their account.

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Q&As from recent discussions

QUESTION		ANSWER
4	Will the Agency permit an importer to post bonds from multiple surety providers to meet their RPP or other security requirements?	As is current today practice within the RPP program, an importer will continue to be able to post bonds from multiple surety companies if they choose. From a CBSA perspective, it is the importers choice to obtain a bond from one or more surety providers. Similarly, it is the surety companies choice to underwrite the bond.
5	Will CARM impact the timing of RNS messages?	The RNS service offers a timely and efficient notification of release decisions made by the CBSA to registered participants by providing importers, brokers, warehouse operators and carriers with Electronic Data Interchange (EDI) RNS messages. The system transmits a response message with a status (such as "Goods Released" or "Goods required for examination – Referred"), to the specified RNS recipients as soon as it is available. CARM will not impact the RNS, notification will continue as per current procedures where the CBSA will instantly notify RNS participants when a transaction is released.

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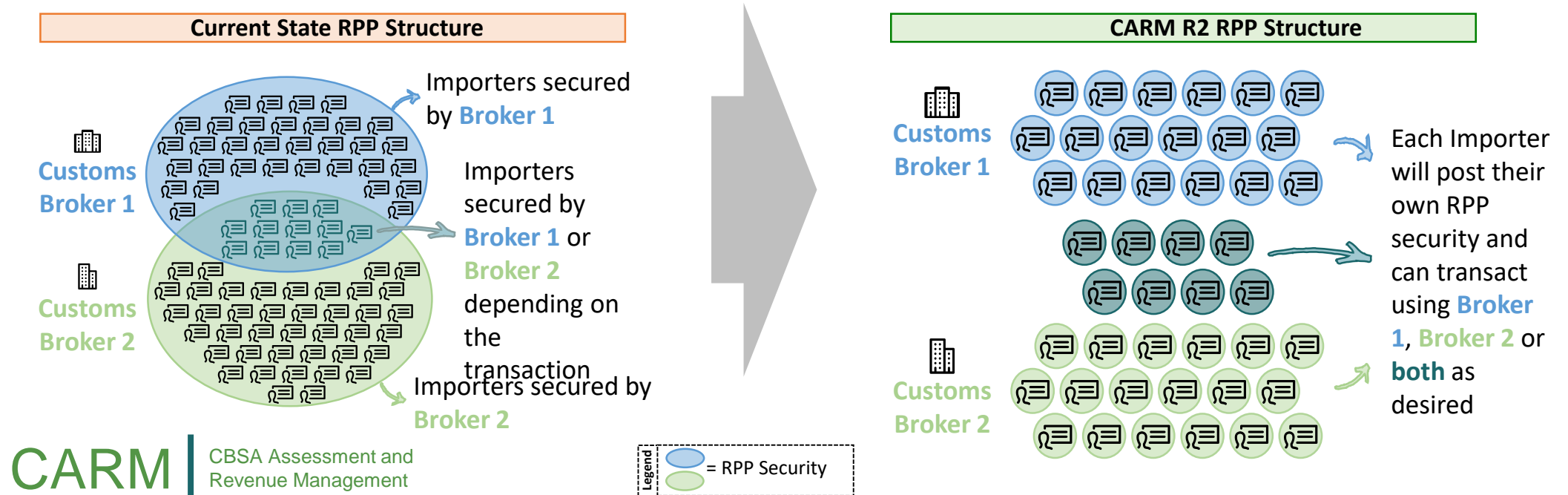
*** Draft concepts are provided for discussion and are subject to change ***

Release Prior to Payment (RPP) Financial Security Recap

CARM will streamline the RPP program for TCPs and the CBSA by clarifying liability and providing modern tools to manage bonds posted with the CBSA.

Key Changes to the RPP Program Include:

- Liability will be clearly established at the importer level. All importers who wish to receive Release Prior to Payment (RPP) privileges will be required to post a bond with the CBSA. The CARM solution will provide a secure paperless process for posting bonds with the CBSA.

- Importers will have full transparency into their accounts receivable. CARM will monitor the utilization of an Importer's RPP security and will prompt Importers with proactive nudges to increase security or make a payment as required.

Current State RPP Structure

Customs Broker 1

Customs Broker 2

Importers secured by **Broker 1**

Importers secured by **Broker 1** or **Broker 2** depending on the transaction

Importers secured by **Broker 2**

CARM R2 RPP Structure

Customs Broker 1

Customs Broker 2

Each Importer will post their own RPP security and can transact using **Broker 1**, **Broker 2** or **both** as desired

Legend = RPP Security

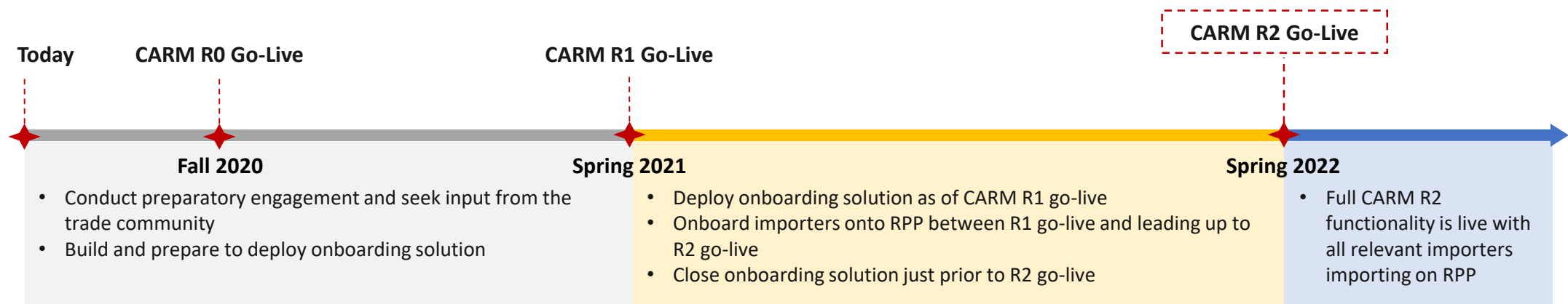**CARM** | CBSA Assessment and Revenue Management

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Agenda and High-level Timeline

To facilitate the transition to importer based financial security, CARM has initiated consultations with the surety industry to develop an interim solution to onboard importers onto RPP prior to R2 go-live.

This presentation is focused on the onboarding solution and describes the following:

1. Pre-R2 RPP onboarding solution overview
2. Pre-R2 RPP onboarding activities by release and stakeholder group
3. RPP security calculation formula
4. Next steps

Our goal today is to socialize and seek input on the approach and plan for pre-R2 RPP onboarding. A high-level timeline of the onboarding approach can be found below.

Today   **CARM R0 Go-Live**   **CARM R1 Go-Live**   **CARM R2 Go-Live**

Fall 2020   **Spring 2021**   **Spring 2022**

- Conduct preparatory engagement and seek input from the trade community
- Build and prepare to deploy onboarding solution

- Deploy onboarding solution as of CARM R1 go-live
- Onboard importers onto RPP between R1 go-live and leading up to R2 go-live
- Close onboarding solution just prior to R2 go-live

- Full CARM R2 functionality is live with all relevant importers importing on RPP

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RPP Onboarding Solution Overview

To successfully enable the onboarding solution, support from industry is required for importers to obtain bonds and for surety companies to provide bond information to the CBSA.

An overview of the pre-R2 onboarding solution is as follows:

- Importers obtain RPP bonds via a surety company as they do today.
  - The effective date of the bond should be no later than CARM Release 2 go-live.
  - Importers will accept the terms and conditions on the portal upon registration at CARM Release 1 go-live.
- Upon issuing bonds to Importers, surety companies will provide bond information to the CBSA.
  - Master data will be created in the CARM system for approved surety companies as defined by Treasury Board.
  - Surety companies will upload bond information using a pre-defined template to a temporary drop-box (File Transfer Protocol server) available only to approved surety companies.
  - Bond information will include acknowledgment of the terms and conditions of the bond, and as such will be considered signed and sealed.
- Data will be loaded into CARM on a regular basis to enable the Agency to monitor importer RPP uptake in preparation for R2 go-live.

To successfully operationalize and promote uptake of the solution described above, the CARM Project will be conducting targeted stakeholder engagement with the trade community and monitoring importer bond uptake.

The following two slides summarize the approach and required activities at each stage of the CARM implementation.

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Pre-R1 Activities

The CARM project will be socializing the drop-box solution and conducting preparatory engagement with the trade community prior to R1 go-live.

CARM Project Activities:

1. Share the details of the process for pre-R2 RPP financial security and bond submission with TCPs.
2. Create bond acceptance template, including terms and conditions, and distribute to surety providers.
3. Create drop-box to capture RPP bond information.
4. Create drop-box log-in credentials and work with surety providers to provide access to the drop-box.*
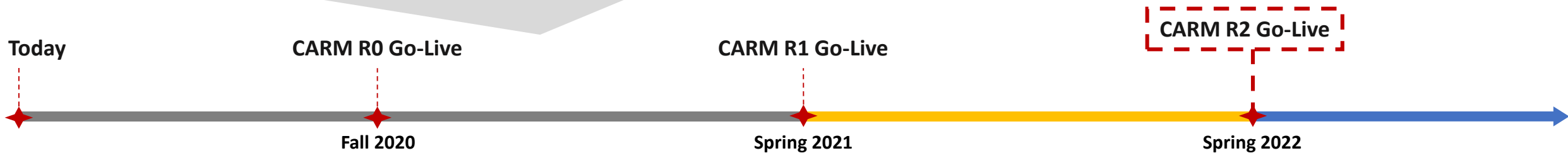
TCP Activities:

All:

1. Provide input to the process for pre-R2 RPP bond submission.

Surety Providers:

1. Provide feedback on the bond submission template, including terms and conditions.
2. Provide a point of contact to the CARM project so drop-box log-in credentials can be issued.

Customs Brokers:

1. Support the CARM project in distributing communication materials to inform importers of the interim solution to obtain a bond.

Today	CARM R0 Go-Live	CARM R1 Go-Live	CARM R2 Go-Live
	Fall 2020	Spring 2021	Spring 2022

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* The drop-box will only be accessible to authenticated users. Each user will have their access restricted to a folder exclusively for their files. Authentication is not related to CARM External Portal authentication.

R1 to R2 Activities

Between CARM R1 and R2, importers will obtain bonds and surety companies will provide bond information to be loaded into the CARM system.

CARM Project Activities:

1. Accept bond information from surety providers through the drop-box solution.
2. Monitor and track which importers have obtained bonds.
3. Reach out to importers who have not yet obtained a bond to promote the RPP program.
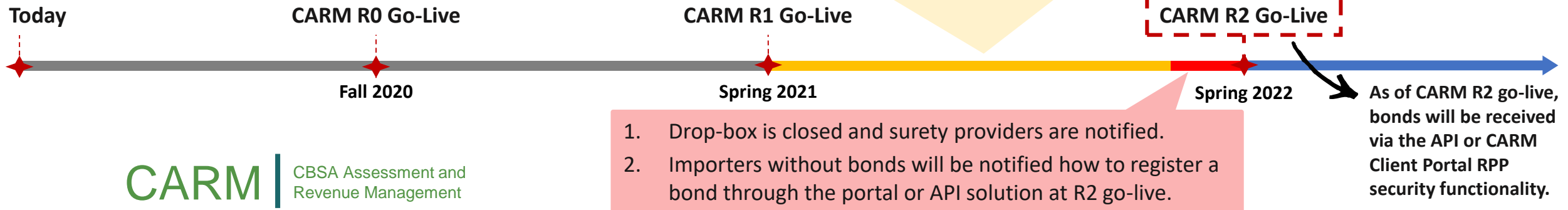
TCP Activities:

Importers:

1. Create business account on the CCP and delegate access to customs brokers.
2. Obtain a RPP bond from a Surety Provider and accept terms and conditions on the CCP.

Surety Providers:

1. Upload completed template file to the drop-box on a continuous basis. For updates or new bonds, the original file will need to be replaced.
2. Provide an error log using the drop-box for any data correction. All errors must be resolved by the end of the month when the files without errors will be loaded into the CARM system.

Customs Brokers:

1. Create business account on the CARM Client Portal (CCP).
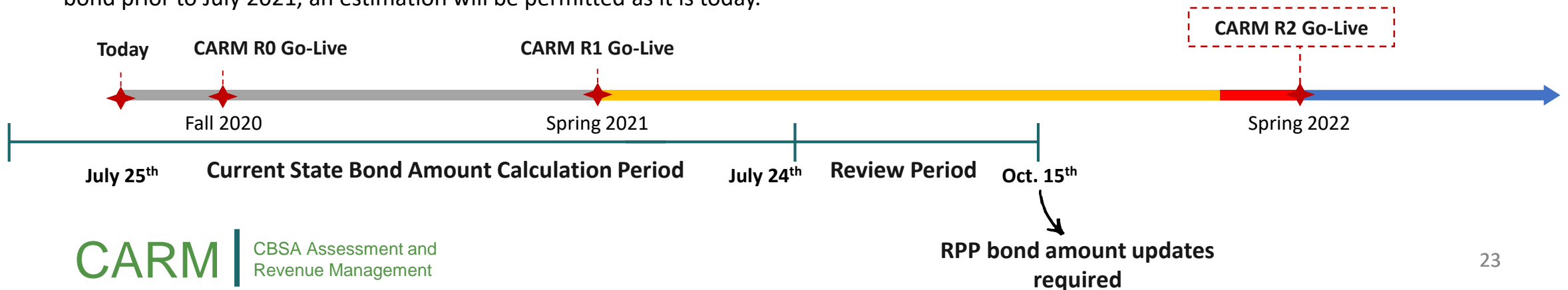2. Work with importers to obtain bonds.

Today   **CARM R0 Go-Live**   **CARM R1 Go-Live**   **CARM R2 Go-Live**

Fall 2020   **Spring 2021**   **Spring 2022**

As of CARM R2 go-live, bonds will be received via the API or CARM Client Portal RPP security functionality.

1. Drop-box is closed and surety providers are notified.
2. Importers without bonds will be notified how to register a bond through the portal or API solution at R2 go-live.

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RPP Security Calculation Formula and Timeframe

For bonds obtained in preparation for and as of CARM R2 go-live, importers will use the formula below to calculate the required security.

As of CARM R2, to be eligible for RPP an importer must use one of the following two options:

- Post a surety bond for 50% of their highest monthly AR with a minimum floor of $25,000
  - For example:
    - if an importer's highest monthly AR is $100,000, they will be required to post a surety bond for $50,000; or,
    - if an importer's highest monthly AR is $20,000, they will be required to post a surety bond for $25,000.

- Post a cash bond for 100% of their highest monthly AR. Note, posting cash is not possible via the pre-R2 interim solution and will only be available in CARM as of R2 go-live.
  - For example, if an importer's highest monthly AR is $5,000 or $30,000, they will be required to post a cash bond for $5,000 or $30,000, respectively.

The current 12 month timeframes for calculating RPP security are from July 25th to July 24th, with updates required by October 15th of each year. For consistency and simplicity, this model is proposed to continue. For importers without 12 months of history or who wish to post a bond prior to July 2021, an estimation will be permitted as it is today.

Today   **CARM R0 Go-Live**   **CARM R1 Go-Live**   **CARM R2 Go-Live**

Fall 2020   Spring 2021   Spring 2022

July 25th   **Current State Bond Amount Calculation Period**   July 24th   **Review Period**   Oct. 15th

RPP bond amount updates required

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Next Steps

Support from the trade community will be key to successfully onboard importers into RPP in advance of CARM R2 go-live.

CARM is committed to:

- Continuing to communicate further details on the future state RPP program and RPP onboarding solution.
    - An ad hoc session with importers, customs brokers and surety providers will be held in early November to present the draft bond acceptance template, including terms and conditions.
- Working with the trade community to successfully implement the interim solution to receive bonds prior to R2 go-live.

As key players in the Trade ecosystem, our ask from you is to:

- Once distributed, review the draft bond acceptance template and associated terms and conditions and be prepared to discuss at the November meeting.
- **Importers:** Engage the surety industry to prepare to obtain a bond in preparation for CARM R2.
- **Surety Companies:** Prepare to issues bonds to importers.
- **Customs Brokers:** Support CARM in disseminating communications materials to inform importers of the interim solution for RPP onboarding.

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Information Package Set to Release

In the next couple of weeks, CARM will be distributing our first CARM Information Package.

With CARM expected to deliver significant change to the trade community, we are seeking your support to promote awareness of CARM. To assist you in this role, this package will help you inform your clients/members on the upcoming CARM changes.

This package includes:

- An overview of information products that are available;

- Suggested ways to use this information;

- Upcoming communication and engagement activities; and,

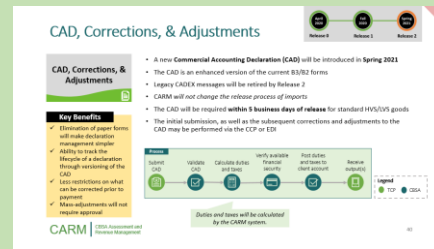- Where to get more information.

This package will be publically available for download on the open CARM GCcollab group, once the French version is available. In the meantime, the English-only version is available on the TCP WG group.

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Information Package Contents

The following represents the contents of the upcoming CARM Information Package.
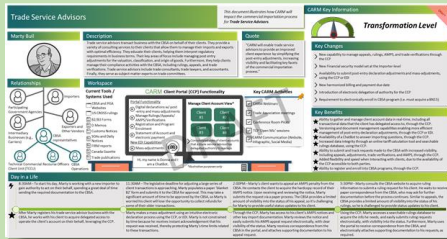
CARM Personas

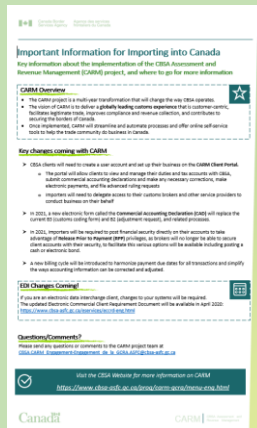CARM Solution Spotlights

CARM Contact Card

CARM Infographic

CARM Official Communication and Fact Sheet

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Recorded Webinars Coming Soon

CARM will condense key R1 and R2 solution details into short recorded webinars, which will be distributed in the next month.

RECORDING TOPICS:

- CCP Overview and Onboarding
- Delegation of Authority
- Accounting Overview and Payment Processing
- Rulings
- Business Registration & Program Enrolment
- Financial Security
- CAD, Corrections & Adjustments
- CARM Billing Cycles
- Compliance
- Reporting & Data Extract Capabilities

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User Experience Sessions Coming Soon

Next month, CARM will be conducting User Experience Sessions with Trade Chain Partner representatives.

What is a User Experience Session?

- The user experience session is performed to ensure that users are able to successfully execute processes and tasks in the CARM Client Portal (CCP).

- The session generally reflects a day in the life of a TCP user through scenario-based activities.

- During the session, participants will execute scenarios and interact with the portal. In this execution, participants will be asked to identify any difficulties and challenges they experience, as well as their overall satisfaction and opportunities to enhance their overall experience.

Release 1 User Experience Sessions

Date and Time

Kick-off: Week of October 19th (TBC)
User Experience Sessions: Week of November 2nd and 9th (TBC)

Sample Scenarios

1. Setting up CARM Client Portal Account
2. Managing delegation of authority (acceptance, management of roles)
3. Using Self Service Tools: Duty and Tax Calculator
4. Using Self Service Tools: HS Classification Tool
5. Viewing and downloading SOA
6. Viewing transactions
7. Submitting and tracking ruling requests
8. Toggling between RM accounts and clients (specifically as a broker)
9. Opting in/out for correspondence
10. Using the Chatbot
11. Uploading documentation
12. Viewing invoices and making payments

Key Activities

- Perform steps outlined in various scenarios
- Learn and understand key tasks/processes performed within the CARM Client Portal
- Identify challenges you and your colleagues may face as they onboard to, and transact in, the CCP

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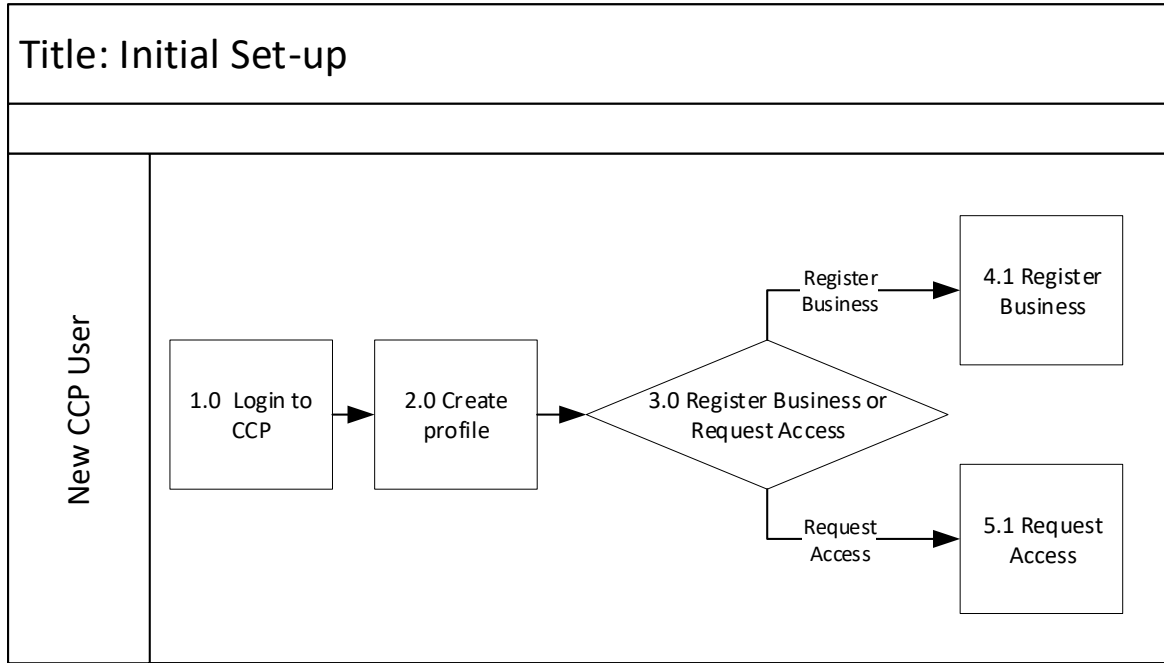*** Draft concepts are provided for discussion and are subject to change ***

Updated TCP WG Activity Calendar

The following outlines the proposed schedule for the next few months of TCP WG activities.

Month	Activity	Date	Location
October	Technical Working Group session	October 14	Webinar
	Consultation Session	October 28	Webinar
November	Deep-Dive Session	November 4 (TBC)	Webinar
	RPP Importer-Surety meeting	Mid-November (TBC)	Webinar
December	Consultation Session	December 2	Webinar

Note: A CLVS Working Group Meeting will also be organized for the Oct/Nov timeframe.

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Appendix

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Initial set-up in CCP

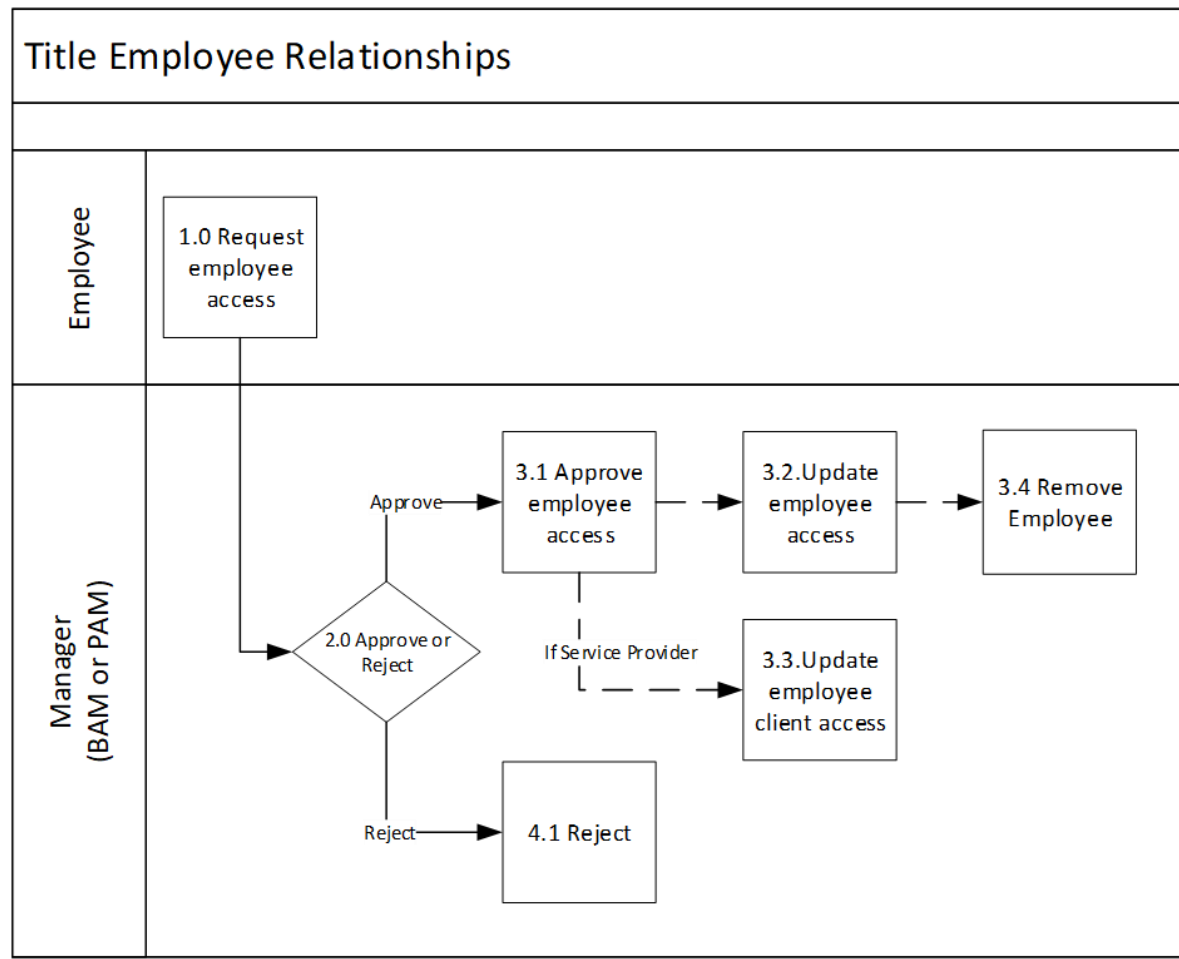| Title: Initial Set-up |
|---|

Seq	Description
1.0	Login into the CCP
2.0	Create personal profile
3.0	• Select to Register Business; Or • Request Access to a business as an employee.
4.1	Answer legal entity & financial transactions affinity questions
5.1	Search for employer's BN9 and provide request comment

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Creating a business relationship
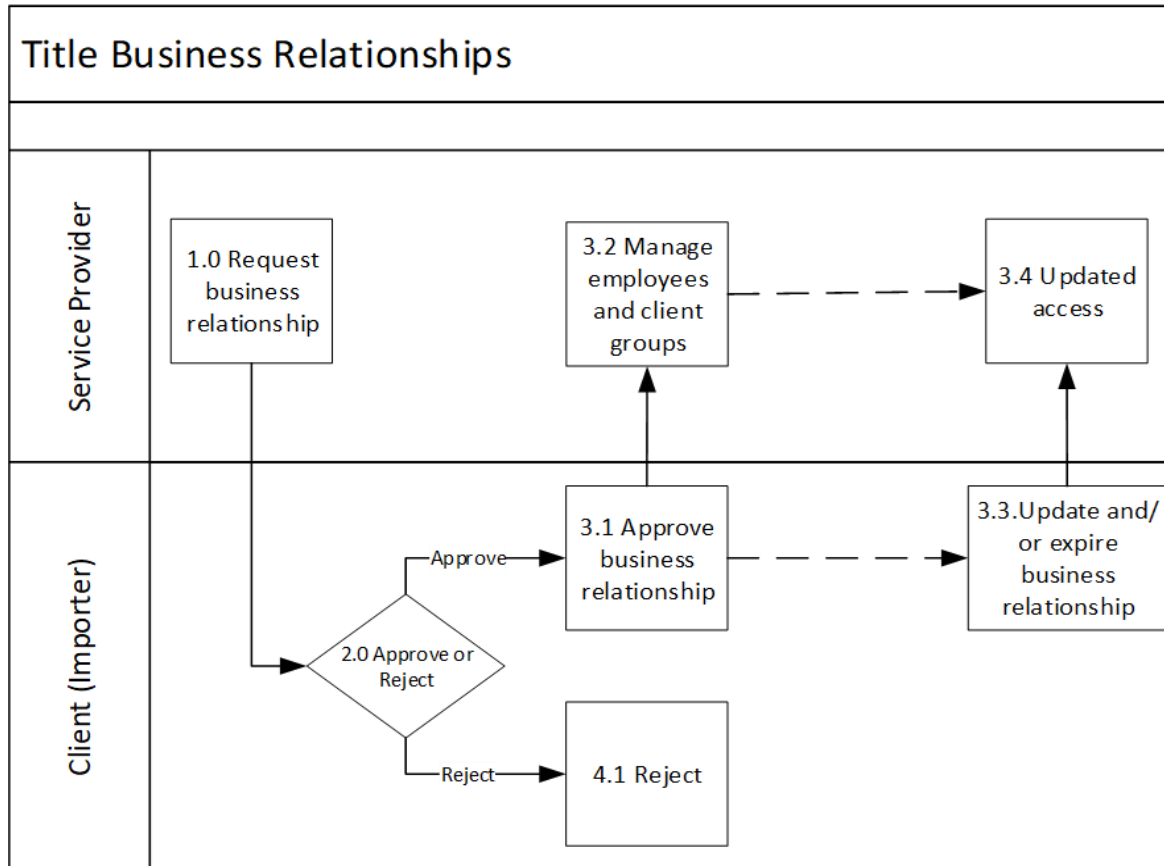
Seq	Description
1.0	Service Provider request a business relationship with another business (client) in the CCP
2.0	Client approves/rejects the business relationship
3.1	Client approves the business relationship request and sets its access details
3.2	Service Provider assigns employees and manages client groups
3.3	• Client updates the access details of the relationship; Or • Expires the business relationship
3.4	Service Provider modifies employee /client group assignment due to changes from Client or as part of normal business operations
4.1	Client rejects the business relationship request

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Accept employee and assign user role

Seq	Description
1.0	User requests to become an employee of a business
2.0	Manager accepts or rejects the employee access request
3.1	Manager approves the request and sets the employee's access role in the CCP
3.2	The Manager can manage the employee's access role
3.3	If the Business has a Service Provider program, the Manager can maintain the employee's access to a client directly or using the client group functionality
3.4	Manager removes the employee from the business.
4.1	Manager rejects the request to be an employee of the business in the CCP

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User roles

ROLE	MAIN RESPONSIBILITY
Business Account Manager (BAM)	To manage the business account. Must be held by an individual with active involvement in the management of its business account (manage employee access, manage business relationships, manage business and program accounts information, etc.).
Third Party Business Account Manager (pBAM)	To manage the business account of a Client, without interfering with its tombstone data (business or program profiles) or access details (employees and business relationships).
Program Account Manager (PAM)	To manage a specific program account alongside the BAM.
Third Party Program Account Manager (pPAM)	To manage a specific program account of a Client, without interfering with its tombstone data (program profile) or access details (employees and business relationships).
Editor & Third-party Editor	To perform any operational activity in the portal (submit declarations, request a ruling, make a payment, view financial information, etc.).
Reader & Third-party Reader	To view any operational activity in the portal (submitted declarations, requested a ruling, issued payments, view financial information, etc.).
Expired	To allow a Service Provider to be able to view information they submitted on behalf of a client as part of their contractual agreement, after the business relationship is expired.
Orphan	Users without any user role are considered by the system as "Orphans". It is intended for users that have registered on the CCP, but have not yet linked their business or have not been accepted as an employee of a business. These users do not have any user role against any business account.

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