



15 Allstate Parkway Unit 6th floor, Markham ON L3R 5B4

February 2, 2024

CARM 2024 IMPLEMENTATION AND PREPARATION ADVISORY

Based on the latest information we have received; we are reinforcing our view that the Canada Border Services Agency (CBSA) will proceed to implement CARM (Canada Assessment and Revenue Management) system revision 2 (R2) on May 13, 2024 as indicated.

CONTEXT AND BACKGROUND

Based on current CARM adoption rates, we estimate that there will be approximately 52,000 registrants representing over 82-83% of volume and value respectively of the top 3000 importers. In 2022, StatsCan data reports there were 160,238 importing enterprises in Canada. Registration of the broker and CSA community is excellent. What is difficult to predict is the impact non-registered importers will have on the implementation and the flow of goods at launch.

IMPORTANT DATES

1. Between April 26 to MAY 2, 2024 - SHUTDOWN OF CADEX¹ and Customs Commercial System CCS - the legacy accounting system
2. Members are advised to submit all B3 Entries for reconciliation prior to the shutdown. Also, submit any B2 corrections as soon as possible for approval.
3. April 26 to May 13, 2024 – BLACKOUT PERIOD - no accounting privileges or visibility to accounts or registration onto the portal will be available.
 - a. CBSA will continue to use ACROSS² and RNS³ to release goods at the borders during the blackout period.
4. MAY 13, 2024 – IMPLEMENTATION OF CARM R2
 - a. CARM will ramp up details – rules for the queue have not been established at this time. There is consensus that stability of the tool in ramp up is critical. A policy on ramp up is forthcoming.

PREDICTED / POSSIBLE STATE AT CARM R2 LAUNCH

¹ CADEX is a proprietary message-formatting standard. It allows importers and customs brokers to file an electronic Form B3-3, *Canada Customs Coding Form*.

² The Accelerated Commercial Release Operations Support System (ACROSS) provides importers and brokers with the ability to transmit release and invoice data in electronic format. This system removes the requirement to present hard copy release packages.

³ The Release Notification System (RNS) offers a timely and efficient notification of CBSA release decisions by providing brokers, importers, carriers and warehouse operators with electronic messages. The CBSA instantly notifies RNS participants when a transaction is released and when a Pre-arrival Review System transaction is approved.

Members should be considering and planning countermeasures and flexibility in the event the following potential challenges arise:

1. Delays, backups and disruption of goods ability to cross especially for non-registered, non RPP importers resident or not.
2. Delay in goods release may impact fulfillment and promise dates to customers – impact on brand and reputation and potential for non-compliance penalties.
3. Delay in release may cause storage fees and detention/demurrage depending on the mode of transportation.
4. Bottleneck/capacity issues may arise for containers at rail yards.
5. Delay in release of less than truckload (LTL) /less than container load (LCL) shipments of consolidated freight if importers are NOT registered on the CARM portal.
6. Carrier warehouses may experience capacity issues of inbound freight that cannot be released.
7. Impact on all importer receiving resources as warehouses may need extra shifts/weekend coverage to deal with inbound shipments released and delivered.
8. Delay in deliveries due to the number of shipments being released at the same time.
9. Importers and brokers may need actively plan contingency to release shipments and create Commercial Accounting Declarations (CAD) for accounting once CARM is available.
10. Anticipate that carriers/warehouses may need some outside storage or third-party warehouse support.
11. As with any IT implementation, it is foreseeable that CARM may encounter periods of instability, and limited functionality – members should initiate contingency plans while the system is brought up to stability and full functionality.
12. CBSA plan to revert to paper if there is an impact on releases. Members may wish to refresh their processes and resources to ensure paper is a viable alternative.

ACTIONS TAKEN:

1. CBSA has been notified that the amount of imported goods may increase before May 1, 2024
2. CBSA was requested to notify all Participating Government Agencies (PGA) of increased release volume before May 1, 2024
3. We are actively informing and updating our PGA and external partners where applicable.

CONTINGENCY RECOMMENDATIONS FOR MEMBERS:

1. **PREPARE FOR THE WORST, HOPE FOR THE BEST.**
2. Ensure to share this information with other internal stakeholders at your respective organizations.
3. If you have not started discussions regarding CARM within your supply chain, do it now!
4. Members should consider importing priority goods targeted for mid Q2 - Q3 sales to arrive and clear before May.
5. Notify Non-Resident Importers (NRI) - ensure they are registered on the CARM portal and delegation of authority is complete.

We encourage everyone to continue to be thought leaders and engage in the various CARM Trade Chain Partner meetings. Please also ensure your organization is leveraging the various [CBSA](#) resources available.

We are here to help.

If members have any questions related to this advisory, please contact [Debbie Price](#).

Sincerely,

IE Canada