

FEBRUARY 27TH, 2024:
CARM Second Advisory Bulletin

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CARM 2024 IMPLEMENTATION AND PREPARATION SECOND 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 13th, 2024, as indicated.

CONTEXT AND BACKGROUND

Based on current CARM adoption rates, we estimate that there will be approximately 52,000 registrants. In May of 2023, CBSA reported approximately 200,000 importing enterprises in Canada. This represents an estimated 26% of the total import community will be registered at launch. The latest Trade Chain Partner (TCP) data projects an estimated 83-85% of volume and value respectively of the top 3,000 importers is captured with portal registrants. Registration of the brokers and CSA community is excellent.

**PARLIAMENT OF CANADA – STANDING COMMITTEE ON THE INTERNATIONAL TRADE (CIIT)
CARM STUDY**

We are pleased the [CIIT committee](#) is conducting a study on CARM. The tentative date for the study is March 19/21, 2024. As with any study conducted by a Committee of the House, stakeholders may submit comments. We will be issuing a further advisory when we have details on how to submit comments. We are encouraging stakeholders to prepare comments now to be ready to submit comments to the clerk.

UPDATED INFORMATION – CBSA POLICY CHANGE – NO CCP OR RPP REPRIEVE

February 14, 2024 – CBSA's CARM team proposed to TCP that importers with no CARM client portal (CCP) registration or release prior to payment (RPP) privileges but have a BN (Business Number), will be allowed to have their goods released at the border during the cutover period and sometime beyond.

This is a significant change in policy that the TCP community has been recommending to CBSA for many years. We are very pleased that CBSA has proposed this TCP recommendation.

This policy change should keep the border fluid throughout the cutover period and for some time beyond (no specific time provided). Less-than-truckload (LTL) or less-than-container (LCL) loads should not be delayed at the border resulting from an importer on the load not being registered on the CCP or has no RPP privileges. Follow-up by CBSA and the customs broker will be required for these importers after the release for payment of duty and taxes.

CBSA has provided authorization for the Customs Brokers to use their BN/RPP for the CARM cutover and a short time after May 13. This is an existing process "First Time" and "One Time" importer policy.

IE Canada will continue to advocate on behalf of its members for CBSA to remove the GST requirement in the security bonds as we have been doing since 2011.

IMPORTANT DATES

1. Beginning as early as April 26 or April 29 to MAY 2, 2024 – SHUTDOWN OF CADEX 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 or April 29 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 ACROSS 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. A policy on ramp up is forthcoming.

PREDICTED / POSSIBLE STATE AT CARM R2 LAUNCH

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

1. Delays and pain points across the supply chain predicted in our first advisory should be avoided because of the policy change mentioned above for all modes and ports of entry.
2. As with any information technology (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.
3. Members may wish to refresh their processes and resources to ensure paper filing is a viable alternative in the event of systems issues.

ACTIONS TAKEN

1. CBSA has been notified that the amount of imported goods may increase before May 1st, 2024.
2. CBSA was requested to notify all Participating Government Agencies (PGA) of increased release volume before May 1st, 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 in the event the system performance does not meet expectations.
4. 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 Christina Fisker: christina@fisker.ca