

CBSA Assessment and Revenue Management Initiative (CARM)

What is CARM?

CBSA has launched a multi-year initiative to modernize, streamline, and transform the importation of shipments into Canada. The key focus of this initiative is to develop capabilities that will simplify and reduce import costs, and enhance compliance.

How will CARM impact you?

- Shift the responsibility of paying duties and taxes before the release of shipments from the brokers to importers
- Use of the broker's Release Prior to Payment System¹ (RPP) security to release shipments will not be allowed
- The requirement to post own security² (D120 Customs bond) to continue RPP privileges to release shipments

Be ready: What do you need to do?

1. Set up an account and register your business number (BN) in the new CBSA self-service CARM Client Portal (CCP).
2. Delegate authority to Schenker as your designated Customs Broker.
3. Obtain and register security² to continue Release Prior to Payment System (RPP) privileges.

CARM Timeline

CARM will be rolled out in two comprehensive releases to support the complex implementation efforts of importers and other trade chain partners (customs brokers, consultants, surety companies, freight forwarders, etc.)

Release 1 – launched on May 25, 2021	Release 2 – no earlier than January 2023
Basic CARM Client Portal functionality for importers and trade chain partners	Full portal functionality along with enforcement of regulatory changes

Risk of not being ready on time

Imports into Canada will not be allowed if:

1. Your account and registration of BN on the Portal is not complete
2. If security² is not obtained and posted

How can Schenker help?

- Provide you with critical and specific information to ensure your business is set-up for imports into Canada in compliance with CARM
- Offer comprehensive guidance and support throughout the transition process

We are making significant investments in systems, people, and capabilities to support your business and we will be ready with you!

CONTACT SCHENKER FOR MORE INFORMATION:

If you have any questions, please email your KAM or Schenker's Client Services team at schenkercustoms.cs@dbschenker.com Schenker of Canada Limited (Customs Department)

Glossary

¹Release Prior to Payment:

- RPP Privilege is a privilege that entitles importers who have posted financial security and obtained an account security number to:
 - (a) obtain the release of goods from the CBSA before paying duties and taxes;
 - (b) defer accounting for goods; and,
 - (c) defer payment of duties and taxes.

²Security: two options to be eligible for RPP:

- (a) a surety bond equal to or greater than 50% of the importer's highest monthly accounts payable³ to the CBSA, with a minimum bond of \$25,000;
or
- (b) cash security equal to or greater than 100% of the importer's highest monthly accounts payable to the CBSA

The highest monthly accounts payable period is the 12 months between July 25 of the previous year to June 24 of the current year. An estimate will be permitted for importers who wish to post a bond, but do not have a 12-month history of accounts payable.

³Accounts Payable: Total duties, taxes, including GST, fees, interest, adjustments, and SIMA due to CBSA. The bond will also secure penalties, but they are not used in the bond amount calculation.