

CARM: The Digital Initiative for Importing Goods into Canada

CBSA Assessment and Revenue Management | Canada Border Services Agency | Litigation | Litigation & Dispute Resolution | Maritime Law | Transportation and Logistics

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The Canada Border Services Agency ("CBSA") is changing how it assesses and collects duties and taxes on commercial goods imported into Canada.

On 13 May 2024, the CBSA Assessment and Revenue Management ("CARM") digital system will become the official system of record that importers and other chain partners will use to pay duties and taxes. This is known as Release 2. The project is aimed at importers of record, including non-resident importers.

Importers must register their business on the CARM Client Portal and delegate a business account manager in CARM. The business account manager role has the highest level of access to the business account and is authorized to read, write and edit all business information in the portal. Businesses should select a second business account manager as a backup.

Customs brokers must also register their business on the CARM Client Portal. Importer clients will still need to create their account on the portal and then need to delegate authority to the customs broker if they intend to utilize the customs broker to conduct business with the CBSA on their behalf.

Trade consultants who currently submit rulings requests on behalf of importers will be able to access the CARM Client Portal upon request to the CBSA. Trade consultants will need to set up a user account and then will need their importer clients to delegate authority to them so they can send ruling requests to the CBSA on their behalf.

Until 13 May 2024 financial security providers will continue to provide importers with "prior to payment" (RPP) bonds, as per the current practice. After 13 May 2024 the CBSA will receive financial security information electronically via an application programming interface. The interface solution will need to be set up prior to the May deadline in order to send bond information to the CBSA.

When CARM becomes the official system of record, all other trade chain partners will be able to use the portal to conduct business with the CBSA such as: exporters (new RM number), lawyers, accountants, carriers, or other services providers.

As of May 2024, registering for an importer or exporter account (RM) will only be available via the CARM Client Portal. The Canada Revenue Agency will no longer be providing this service.

The Release Prior to Payment ("RPP") program allows participants to obtain the release of goods from the CBSA before the final accounting and payment of duties and taxes.

When CARM becomes the official system of record, acquiring the privileges of the program will significantly change for importers. They will no longer be able to use their customs broker's RPP security to clear shipments before paying duties and taxes. Importers who want to participate in the RPP program will be required to post their own financial security. They will have the following options:

Option 1: a financial security instrument for 50% of their highest monthly accounts receivable (inclusive of GST) with a minimum financial security of \$25,000 per import program (RM)

Option 2: cash deposit for 100% of their highest monthly accounts receivable (inclusive of GST)

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Unfortunately, it is not possible to enroll in the RPP program prior to May 2024.

A new commercial accounting declaration ("CAD") will be introduced in May 2024. The CAD will serve as the digital document to account for imported goods into Canada, replacing the current customs coding (B3) and request for adjustment (B2) forms. Any corrections or adjustments made to a CAD will be recorded as a new version of the original declaration.

The CARM system will automatically calculate the duties and taxes based on the information provided by the client on the CAD. Clients will be able to submit, correct or adjust the CAD via the CARM Client Portal or electronic data interchange, or an application programming interface ("API").

Clients can make corrections to the original CAD submission up to the payment due date, interest-free. Any changes clients make to the CAD after the payment due date, otherwise known as adjustments, may be subject to CBSA review.

The CAD will not impact the release process. There will be slight changes for the C-type entry process, where the CAD form will replace the B3 form in the release package. A CAD will not be accepted from a customs broker without a proper delegation of authority.

In May 2024, importers must meet their financial security requirements by posting a financial security agreement ("FSA") or a security deposit in the CARM client portal. FSA paper format will no longer be accepted. Other forms of financial security (beyond security deposit and FSAs) that are currently in use may still be available in exceptional circumstances when CARM becomes the official system of record.

Important: Importers can no longer use a Broker's Security as of May 2024, they must use their own.

FSAs are financial security instruments which importers obtain from an approved guarantor provider (surety companies and/or financial institutions). The process for posting FSAs is enabled by an API connection where the financial security provider transmits the bond information to CBSA on behalf of the importer, or by the importer entering their financial security information on the CARM Client Portal ("CCP"). If the importer posts the bond directly on the CCP, the CARM system pushes the information entered by the importer to the financial security provider for validation via the CCP.

It is imperative that importers and their customs brokers, trade consultants and financial security providers start now to get ready for CARM. Inevitably, the transition will be painful if steps are not taken well before coming into force date of 13 May 2024. A PDF version is available for download [here](#).

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