

CBSA Delays CARM Release Until October 2024

CBSA Assessment and Revenue Management | Canada Border Services Agency | Litigation | Litigation & Dispute Resolution

23 May 2024

Once again, the Canada Border Services Agency ("CBSA") has pushed back the implementation of the CBSA Assessment and Revenue Management project ("CARM"). The new system, which emphasizes self-service for importers, is intended to streamline and digitize the import process in Canada and function as the comprehensive system of record for levying duties and taxes. With the transportation and import/export industries moving increasingly towards electronic shipping documents, the CBSA created CARM to accommodate those developments domestically.

The second phase of CARM was originally slated to begin in October 2023, but was delayed until 13 May 2024. Fears of a strike by government employees has now resulted in a revised October 2024 launch date. Notwithstanding the delay, CARM's implementation is coming and importers, customs brokers, bonded warehousemen and other industry players would be wise to avail themselves of the reprieve to make the necessary preparations if they have not yet done so.

Phase 1 – May 2021

Release 1 of CARM (R1) occurred in May 2021 on a voluntary basis and included the introduction of the CARM Client Portal ("CCP"). Under R1, importers who register on the CCP can view account information, apply for customs rulings and track their progress, classify goods and estimate duties and taxes, and make electronic payments. This launch was meant to provide stakeholders with a significant runway to become acquainted with the changes to the system.

All importers of goods into Canada will be required to register under CCP by October 2024. The CCP will function as the hub for accounting and revenue management for importers and the CBSA. The system does not require importers to manage customs matters on their own as the CCP allows importers to delegate access to a service provider such as a customs broker to act on their behalf and manage their accounts.

The CCP is accessed using either a government issued GCKey or through a financial institution sign-in partner. This online registration and sign-in process will be familiar to anyone who has used other Government of Canada secure systems such as that of the Canada Revenue Agency.

Phase 2 – October 2024

Release 2 of CARM (R2) – with a scheduled launch date of October 2024 – will be compulsory for importers. Any importer not registered on the CCP prior to the October 2024 launch will be prohibited from importing goods into Canada until they have done so and satisfied the CARM requirements, notably posting financial security (e.g., a customs bond or cash) with the CBSA to maintain release prior to payment privileges.

CARM will require importers to post their own security in order to participate in the release prior to payment program ("RPP"). Reliance on a broker's security is no longer permitted. This security can take the form of either a financial security instrument for 50% of the importer's highest monthly accounts receivable (inclusive of GST) or a cash deposit of 100% of its highest monthly accounts receivable (inclusive of GST). The security will be calculated automatically by CCP.

The new commercial accounting declaration ("CAD") will replace the current customs coding (B3) and request for adjustment (B2) forms. CARM will automatically calculate those duties and taxes based on the CAD. The system will also introduce harmonized billing cycles with due dates for payments being ten weekdays after the 17th day of the calendar month.

Considerations for Industry Participants in Advance of October 2024

Ahead of the new deadline, industry participants should register under the CCP as soon as possible and familiarize themselves with the system before it becomes compulsory. No innovative government program survives first contact with its user base unscathed, therefore industry participants should be prepared to

encounter problems with implementation and ensure that they understand the system before they must rely on it. If importers and other parties have not already enrolled in the CCP, they should do so well in advance of the October deadline.

As the system anticipates delegation to an importer's agents, importers should discuss the degree of access their customs broker will require to the importer's CCP to continue to provide the same level of service and make those arrangements promptly.

Critically, importers who have not done so should make arrangements with their financial institution for security to satisfy the customs bond requirements of the RPP. Importers who have signed onto the CCP prior to the CARM R2 release date or who have a history of importing goods within the preceding four years and an account in good standing will have a 180-day transition period in which to post that security. A PDF version is available for download [here](#).

(This blog is provided for educational purposes only, and does not necessarily reflect the views of Gardiner Roberts LLP).

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