

CARM: PHASE 2

WHAT YOU NEED TO KNOW BEFORE PHASE 2 RELEASE

As a Contractor who imports materials and other goods as a part of everyday operations, you may already be aware of the incoming changes to the process of importing goods into Canada. The **Canadian Border Services Agency (CBSA) Assessment and Revenue Management** project (referred to as CARM) is a multi-year project that will transform the collection of duties and taxes for goods imported into Canada with the goal of simplifying the process of importing commercial goods¹. The implementation of CARM is scheduled to be released in two phases: CARM Release 1 and CARM Release 2.

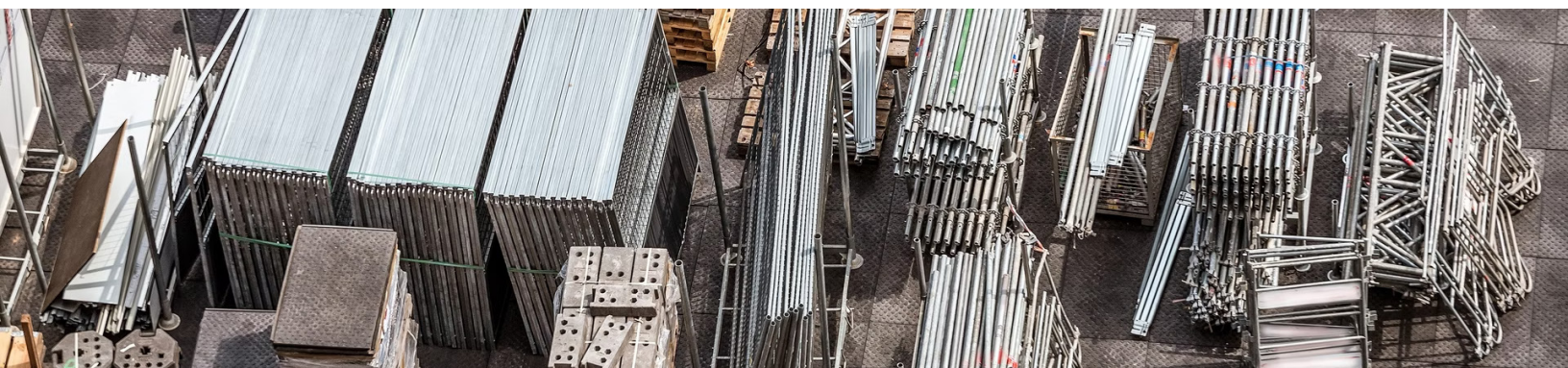
CARM RELEASE 1 (MAY 25, 2021)

CARM Release 1, released on May 25, 2021, launched the CARM Client Portal; a self-service online tool that provides importers the ability to view and manage their statements of account, classify goods and estimate duties and taxes, make secure electronic payments (via pre-authorized debit, credit card, and debit card), delegate access to their employees or external service providers, and submit or track requests for rulings¹.

CARM RELEASE 2 (SCHEDULED FOR MAY 13, 2024)

CARM Release 2, scheduled to be released on May 13, 2024, will expand on the functionalities of the CARM Client Portal and introduce changes to the **Release Prior to Payment (RPP)** program. This allows importers to obtain the release of goods from the CBSA before the final accounting and payment of duties and taxes. **Importers will no longer be able to use their customs broker's RPP security to clear shipments before paying duties and taxes and will be responsible for posting their own financial security¹.** One option for this security is a **Release Prior to Payment (RPP) bond**, which PWA can provide for your company.

CARM Release 2 will also introduce a new Commercial Accounting Declaration (CAD) system that will serve as the electronic document to account for imported goods into Canada, replacing the B3 (current coding) and B2 (request for adjustment) forms.

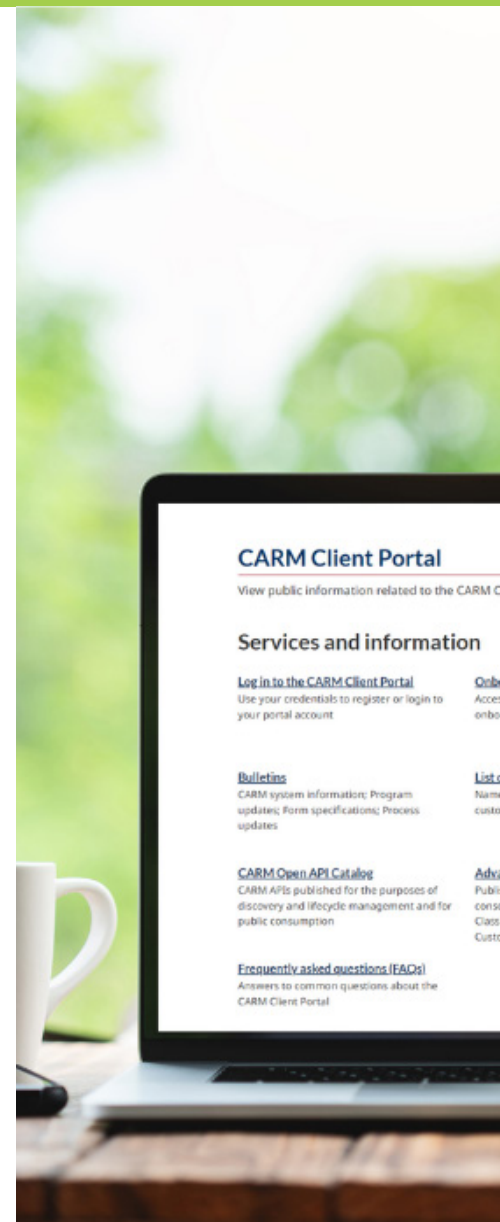


NEXT STEPS PRIOR TO RELEASE

With the CARM Release 2 go-live date scheduled for May 13, 2024; we are recommending our clients to prepare for the changes by obtaining the required business and importer numbers. There is no associated cost to this. You can continue to use your current custom brokers bond until the official CARM Release 2, and by registering in advance, CBSA will provide a 6 (six) month grace period after the go-live date to obtain the required security. Users who have not registered prior to the official release date will be required to post security immediately.

We kindly ask that you review the instructions to register below and don't hesitate to reach out for any further assistance or information.

1. Register with **Canada Revenue Agency (CRA)** for a business number and an importer number at [Business Registration Online \(BRO\)](#).
 - a. [CRA Business number](#) - BN9 number is 9 digits long;
 - b. [CRA Import-Export program account number](#) - RM number is 6 digits long;
2. Registering a Business on the **CARM Client Portal**.
Instructions available in the [How to Register for the CARM Client Portal](#) Learning Guide.



HOW TO PREPARE FOR CARM RELEASE 2

REGISTER FOR THE CARM CLIENT PORTAL PRIOR TO RELEASE 2

Set up your CARM Client Portal user account by using GCKey or using a sign-in partner and link it to your business account. Importers who onboard before the effective date will have 180 calendar days to make their own financial security arrangements.

CONTACT YOUR BROKER PARTNER AT PETRELA, WINTER & ASSOCIATES

We will continue to keep you informed as more information is released regarding CARM Release 2. For more information, contact your surety account representative at PWA.

Additional Information is available at:

1. <https://www.cbsa-asfc.gc.ca/services/carm-gcra/prep-eng.html>

BENEFIT FROM OUR SPECIALIZATION

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