

UPDATE TO RELEASE DATE

CARM Release 2

Dear Clients,

CBSA has advised Release 2 of the CBSA Assessment and Revenue Management (CARM) has been postponed until May 2024. **During Release 2, importers will no longer be able to use their customs broker's Release Prior to Payment (RPP) security to clear shipments and receive release prior to payment privileges.**

CBSA indicated they will issue a 180-day grace period on this bond requirement by the importer if they are signed up for CARM prior to Release 2. We strongly recommend you take advantage of this opportunity and setup your CARM Client Portal today. You will already find a request to connect to us as your customs broker once your account is setup.

Please note, we are currently in Release 1 and Importers are not required to post their own bond/account security until Release 2.

What is CARM

The CARM project is a multi-year initiative that will transform the collection of duties and taxes for goods imported into Canada. Through CARM, the CBSA will modernize and streamline the process of importing commercial goods.

Benefits

Once fully implemented, CARM will:

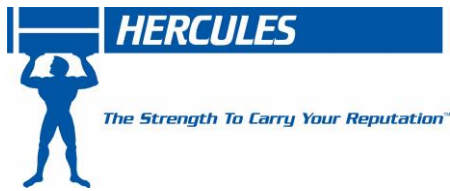
- simplify the overall importing process
- provide a modern interface for importing into Canada
- give importers self-service access to their information
- improve consistency of compliance with trade rules

The implementation of CARM is structured in a series of releases.

CARM Release 1: Basic functions LIVE ****No impact to the customs release process****

Release 1 will launch the CARM Client Portal, a self-service tool to facilitate accounting and revenue management processes with the CBSA.

In order for Hercules to access your Portal, Importers will need to delegate access to us as your customs broker. You will already have a request from us pending your approval.



The Portal will allow clients to view and manage their duties and tax accounts with CBSA, submit commercial accounting declarations and make any necessary corrections, make electronic payments, and file advanced ruling requests.

CARM Release 2: May 2024

Release 2 will expand on the functionalities of the CARM Client Portal. **Within Release 2 of CARM importers will be required to post a surety bond or cash deposit to qualify for release prior to payment privileges.** Importers will no longer be able to use their customs broker's RPP security to clear shipments and receive release prior to payment privileges.

As of Release 2, an importer must post security using one of the following two options to be eligible for RPP:

- a surety bond for 50% of their highest monthly accounts receivable with a minimum bond of \$25,000; or
- a cash security for 100% of their highest monthly accounts receivable

Highest monthly accounts receivable period is the 12-month period. An estimate will be permitted for importers who wish to post a bond, but do not have a 12-month history of accounts receivable.

NOTE: Importers will need to handle all CBSA payment processes internally through CARM when Release 2 is fully implemented. Please prepare electronic payment processes in advance.

How you can prepare for CARM Release 1 and 2

Set up your CARM Client Portal user account following the launch of Release 1 by acquiring a GCKey or using a sign-in partner and link to your business account.

At Release 1, create your business portal account and delegate authority to your employees and/or customs broker and/or trade consultant.

Prior to Release 2, speak with your customs broker or a surety company for assistance in obtaining a surety bond for RPP privileges.

For full details, visit the [CBSA Assessment and Revenue Management project page](#).