

RPP Financial Security:

Financial security is a key area of change impacted by the implementation of the CBSA Assessment and Revenue Management (CARM) 2021 project.

The changes to financial security for Release Prior to Payment (RPP) privileges will come into effect with **CARM Release 2 which is scheduled to Go Live (May 13, 2024)**. As of this date, the CBSA will require all importers who want to participate in the RPP program to enroll and post security with the CBSA.

Importers who register in the CARM Client Portal (CCP) prior to the implementation of CARM Release 2 go-live date qualify for a 180 day "Grace" transition period. Importers will be auto enrolled in the RPP Program and have 180 days from the date of CARM Release 2 implementation to obtain RPP Financial Security without impacting importer release. All other importers will require RPP Security on Day 1 of Release 2 if not already registered in CARM. Meaning those Importers will need to enroll in the RPP Program in the CCP upon CARM Release 2 implementation and post financial security.

Security may be posted in the below forms.

- **Posting Cash Security:**

The amount of security must be equal to or greater than 100% of your highest monthly CBSA accounts receivable within a 12-month period (**calculated by CBSA in the RPP Program**). For importers without 12 months of history, an estimation will be used. The cash bond can be posted to the account by making a deposit through the CARM Client Portal, no minimum amount required. For example, if an importer's highest monthly AR is \$5,000 or \$30,000, they will be required to post a cash bond for \$5,000 or \$30,000, respectively.

- **Posting a Continual Financial Surety Bond:**

The amount of the security required for non-cash bonds must be equal to or greater than 50% of your highest monthly CBSA accounts receivable within a 12-month period (**calculated by CBSA in the RPP Program**). For importers without 12 months of history, an estimation will be used. The bond amount is also subject to a new \$25K minimum, but the \$10M maximum remains as it is today. **CBSA will inform importers of their RPP Security level required in the RPP Program.**

The amount of bond required by the CBSA represents the minimum (and therefore mandated) amount of security required. CBSA will display the bond amount on the CCP as of **CARM Release 2 (May 13, 2024)**.

- **Posting Set Duration Security: Details still to be determined & communicated by CBSA.**

- **Zero (\$0) Accounts Payable**

If an importer's highest monthly accounts payable is zero (\$0) within the most recent 12-month period, no bond will be required. If you start to import goods which result in a payable, or if you are issued an AMP or adjustment, the CARM system will monitor and measure your security utilization and nudge you to provide increased security. It is incumbent on the importer to maintain adequate security to cover their accounts payable per the requirement.

Obtaining a Surety Bond:

Surety bonds may be obtained through ITN Logistics in accordance with D-Memo D-17-1-8. ITN Logistics “Surety” underwriter has an established API connection directly with CBSA for electronic filing of Surety Bonds.

- *ITN Logistics is now taking stock of importers who will require a financial surety bond upon implementation of CARM Release 2. Importers registered in CARM prior to Release 2 will be auto enrolled in the RPP Program through their initial CARM registration. Importers will then only need to complete an ITN Logistics Bond Information Sheet to secure a surety bond.*

In the meantime, Importers need to ensure they are registered in the CARM Client Portal prior to the implementation of CARM Release 2 to qualify for the 180 day “Grace” transition period. The Grace period will allow importers time to obtain and post RPP Security in the CARM Client Portal.

Monitoring Account Security:

The CARM Client Portal (CCP) will provide each importer the ability to view the amount of security posted to their account, including RPP surety bonds, and when needed, the CBSA will send proactive notifications through the CCP advising to review and possibly increase the amount of security if the importers account balance approaches the limit of existing security on their account.

The posted financial security (surety bond) will secure all account receivables, including duties and taxes (GST), as well as interest, adjustments, ascertained forfeitures, and SIMA fees. The surety bond will secure any penalty fees; however, penalties are not used in the calculation of the amount of the bond.

Post CARM Release 2 (May 2024), if an importer is not registered in the CARM Client Portal, shipments WILL NOT be released without registration, RPP Security or advance payment. Without RPP Security, an importer will be required to file a C-type CASH entry with CBSA and pay in advance at the Port of Entry (CBSA Sublocation Office) to obtain release. Importers with 0\$ monthly accounts payable will not be required to post security but must indicate as such on the RPP Security Page in the CARM Client Portal.

What you, the importer, can do to be ready for CARM Release 2:

- Register your business in the CARM Client Portal to qualify for the 180-day “Grace” period.
- Importers registered in CARM prior to Release 2 will be auto enrolled in the RPP Program.
- Familiarize yourself with the new CBSA financial security regulations on the [CBSA website](#).
- CBSA will inform each importer of their RPP Security levels required in the RPP Program.
- If you already have a bond, you will need to make sure that the bond level amount is adequate, in accordance with the new CBSA financial security calculations detailed above.
- If you require a financial surety bond, please contact ITN Logistics at bonds@itncustoms.com.
- [CLICK HERE](#) to leave your contact details for further information as CARM evolves!

www.cscb.ca

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