

## RPP Financial Security:

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

The changes to financial security for Release Prior to Payment (RPP) privileges will come into effect with **CARM Release 2 (~Oct. 2024)**. As of this date, CBSA will expect all importers (**Resident and Non-resident importers alike**) to have registered in the CARM Client Portal.

*All Importers regardless of their registration status before or after CARM goes live (~Oct. 2024) qualify for a 180-day RPP Security "Grace" transition period. All importers will have 180 days from (~Oct. 2024) to obtain RPP Security without impacting importer release.*

*Note: It is imperative All importers register in CARM and accept the "Delegation of Authority" access request awaiting them in the Portal. Once CARM goes live (~Oct. 2024), ITN Logistics cannot close out "Released" transactions without "Delegation of Authority" which can result in "Late Accounting" penalties to importers for their transactions involved.*

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 (100%).

- **Posting a Continual "Financial Security Agreement" (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 Security Requirement**" amount). For importers without 12 months of history, an estimation will be used.

*The bond amount is subject to a \$5,000.00 minimum. CBSA will post an importers "Calculated Security Requirement" amount in the CARM Client Portal (Financial Page).*

- **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 can be obtained through ITN Logistics** in accordance with D-Memo D-17-1-8.

ITN Logistics “Surety” “**Raise Underwriting**” will have an established API connection directly with CBSA for the electronic filing of Surety Bonds.

*ITN Logistics is accepting RPP Bond Applications (included in main announcement) as of CARM Release 2 “GO LIVE” date expected to be (~Oct. 2024). CBSA will post an importer’s “Calculated Security Requirement” amount in the CARM Client Portal as of this date.*

*The “Calculated Security Requirement” amount can be found on the “Financial Security Dashboard” through the “Financial Security” page under “Financial Information”, CARM main menu. Please insert this amount in the space provided on the “ITN Logistics RPP Surety Bond Application Form”. This amount will be used by our Surety “Raise Underwriting” to calculate the bond level required.*

### 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.

*Upon expiry of the 180-day RPP Security “Grace” transition period, importers not registered in the CARM Client Portal, their shipments WILL NOT be released without registration and RPP Security.*

### CBSA CAD Document and Payments:

*ITN Logistics will continue to transmit importer CAD documents (Formerly B3 document) to CBSA electronically after their initial customs release. There is no requirement for Importers to send CAD documents to CBSA through the CARM Client Portal, but they need to accept the “Delegation of Authority” access request from ITN Logistics.*

Importers will be responsible for arranging payments directly to the CBSA upon implementation of CARM Release 2 (~Oct. 2024). Importers will receive their monthly CBSA “Statement of Account” (SOA) through the CARM Client Portal identified under the “Financial Page” issued on the 25<sup>th</sup> of each month.

Importers may set up “Online Banking Payment” through one of the institutions listed below in accordance with “CBSA Online Banking Payment” (See Set Up Instructions attachment).

- ATB Financial
- Bank of America
- Bank of Montreal (BMO)
- Canadian Imperial Bank of Commerce (CIBC)
- Canadian Western Bank
- Central One Credit Union
- Citibank
- Desjardins
- *First Nations Bank of Canada\**
- HSBC
- JP Morgan Chase
- Laurentian Bank
- Meridian
- National Bank
- *Royal Bank of Canada (RBC)\**
- Scotiabank
- Shinhan Bank of Canada
- Tangerine
- *TD Canada Trust\**

Alternatively, importers may set up Pre-Authorized Debit (PAD) through the CARM Client Portal through Canadian Institutions listed via the below link. See set up under “Payments”, CARM main menu.

Importers who want to register for PAD payments need to have an account with a Canadian institution. You can see the list of participating institution on the Payment Canada’s website: <https://www.payments.ca/our-directories/financial-institutions-branch-directory>.

### [What you, the importer, can do to be ready for CARM Release 2:](#)

- ✓ Set up direct payment to CBSA via Online Banking Payment or PAD through CARM.
- ✓ Familiarize yourself with the new CBSA financial security regulations detailed above.
- ✓ CBSA will post each importer’s “Calculated Security Requirement” amount in the CCP.
- ✓ If you already have a bond, the bond details will be migrated to CARM Client Portal.
- ✓ ITN Logistics will provide RPP Surety Bond Information at CARM Go Live (~Oct. 2024)

Ⓞ [CLICK HERE](#) to leave your contact details for future information as CARM evolves!

[www.cscb.ca](http://www.cscb.ca)

Your Partners in CARM