

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 are now in effect as of **CARM Release 3 (Oct. 21st 2024)**. CBSA expects all importers (**Resident and Non-resident importers alike**) to have registered in the CARM Client Portal.

All Importers qualify for a 180-day RPP Security "Grace" transition period from Oct. 21, 2024, to Apr. 19, 2025 (extended to May 20th), to obtain RPP Security without impacting the release of goods. Once the CBSA "Grace" period ends, Importer RPP Security in CARM will be required.

Important Note: It is imperative all importers register in CARM and accept the "Delegation of Authority" access request awaiting them in the Portal. ITN Logistics cannot close out "Released" transactions (final accounting) without "Delegation of Authority" which will result in "Late Accounting" penalties to importers.

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 has posted "Calculated Security Requirement" amounts for each importer in their 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 Insurance Underwriter (Surety) will have an established API connection directly with CBSA for the electronic filing of Surety Bonds.

ITN Logistics is now accepting RPP Bond Applications (included in our main announcement). CBSA has posted "Calculated Security Requirement" amounts in the CARM Client Portal.

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 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 RPP Security "Grace" transition period (May 20th @ 3AM EDT), shipments WILL NOT be released without Importer CARM registration and RPP Security (to benefit from EDI "Release Prior to Payment" privileges).

What you, the importer, can do to be ready for CARM Release 3:

- ✓ 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 once CARM goes live.
- ✓ Review CBSA Payment Options per our separate payment options CARM Fact Sheet.
- ✓ **[CLICK HERE](#) to leave your contact details for further information as CARM evolves!**