Canada Border Services Agency
Agence des services frontaliers du Canada

CARM Solution Spotlight – Commercial Accounting Declaration (CAD)

Updated: November 2020

Canada

CARM | CBSA Assessment and Revenue Management

The Commercial Accounting Declaration (CAD) will come into effect with CARM Release 2

Release 0

Upgrade – Accounts Receivable Ledger (ARL)

- ✓ No action required from Trade Chain Partners*
- ✓ *Recipients of Daily Notices may experience a delay in receiving them during the implementation, similar to other ARL updates.

Release 1

Basic Functions
CARM Client Portal

- ✓ Open to importers, customs brokers and trade consultants (all other clients will gain access with Release 2)
- ✓ Ability to grant access to your portal account to third-party service providers
- ✓ New online payment options (credit card payments, pre-authorized debit, etc.)
- ✓ Tools to help classify goods and estimate duties and taxes
- ✓ Application Program Interface (API) to retrieve tariff data
- ✓ Ability to electronically request rulings and track their progress

Release 2

All Functions
CARM Client Portal

- ✓ Open to all trade community.
- ✓ Business registration and program enrolment
- ✓ **Electronic commercial accounting declarations with ability for corrections and adjustments (to replace current B3 Customs Coding and B2 Request for Adjustment forms)**
- ✓ Changes to Release Prior to Payment requirements for bonds
- ✓ Harmonized billing cycles
- ✓ New offsetting options
- ✓ Electronic management for appeals and compliance actions

Introducing the Commercial Accounting Declaration

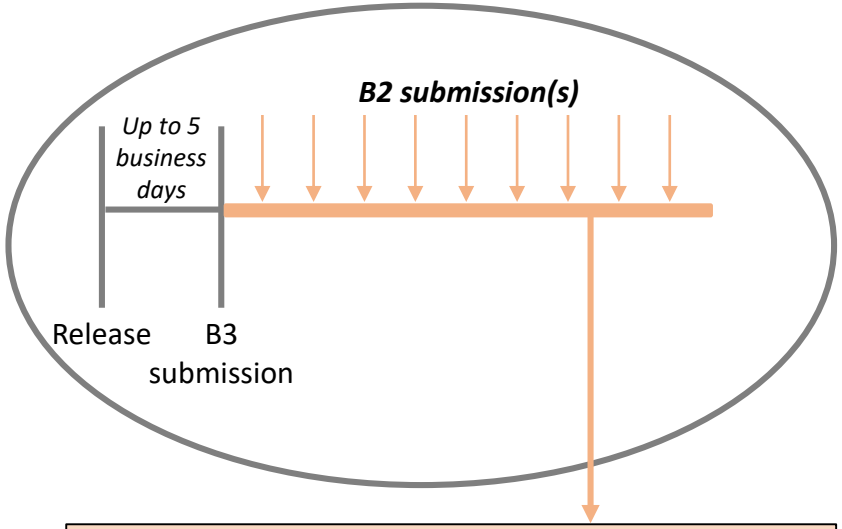
CARM will introduce the Commercial Accounting Declaration (CAD) with **Release 2**.

- ✓ Serves as the digital document to account for imported goods into Canada, replacing the current B3/B2 forms
- ✓ Digital versioning of the CAD eliminates the use of paper B2 form submissions
- ✓ Will not impact the interim accounting release process other than requiring the commercial importer to have security for participation in release prior to payment program
- ✓ Process for C-type entries will change: C-type entries must be submitted via the CARM Client Portal (CCP), regardless if the C-type is “on account” or a cash entry. In order to obtain release of goods, a paper copy must be printed and presented to CBSA accompanied by the same supporting documentation as is required today.
- ✓ The CAD will be required within 5 business days of release for High-Value Shipment (HVS)/Low-Value Shipment (LVS) goods imported through the commercial stream
- ✓ The CAD will be submitted and corrected via the CARM Client Portal (CCP), Webservice, or Electronic Data Interchange (EDI) by the importer or customs broker, and may be further adjusted (after the payment due date) by a delegated third-party service provider (e.g., trade consultants).
- ✓ The CARM system will automatically calculate the duties and taxes based on information provided in the CAD. Total duties and taxes will be communicated back via EDI or the CARM Client Portal.

Corrections and Adjustments

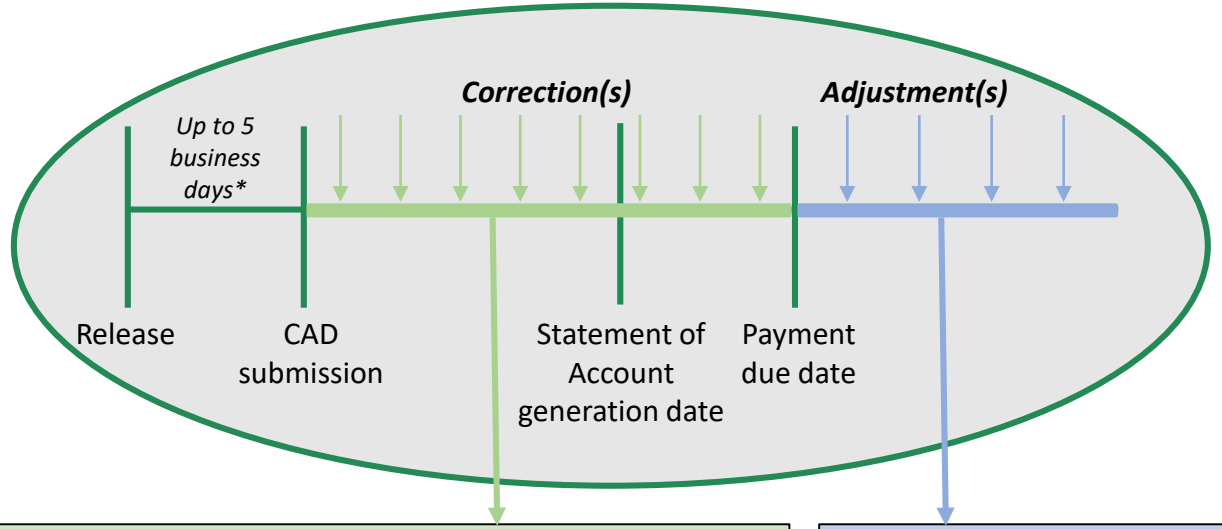
Importers and delegated service providers have the ability to **make changes to their CADs before and after the payment due date**.

Current State



Post-B3 submission, trade chain partners submit a paper B2, which may incur interest charges.

Future State



Between CAD submission and payment due date, importer and their delegated customs broker can make interest-free electronic changes (corrections) to their CADs – which will create a new version of the CAD.

After payment due date, importers and their delegated service providers can make electronic changes (adjustments) to their CAD, which may incur interest.

**For HVS/LVS goods in the Release Prior to Payment (RPP) program*

Frequently Asked Questions

The following represents responses to frequently asked questions related to this aspect of the CARM solution.

1. **Can adjustments be submitted on the first day of CARM Release 2, for declarations submitted prior to implementation?**
   - The ability to submit an adjustment against a B3 that was submitted pre-CARM Release 2 will be available.
2. **As an importer, can my third-party service provider manage my commercial accounting declarations on my behalf?**
   - Only a licensed customs broker can submit a commercial accounting declaration or make a correction on behalf of an importer, as long as they have proper delegation of authority. Other third-party service providers are able to perform adjustments on commercial accounting declarations on behalf of an importer if they have been granted the appropriate delegated access.
3. **Will I be able to submit my release documentation through the CARM Client Portal?**
   - The ability to submit release documentation is not available within the CARM Client Portal. As per the current process, release documentation (paper copies) must be presented to CBSA to obtain release.
   - C-type entries, however, must be submitted via the CARM Client Portal (CCP), regardless if the C-type is “on account” or a cash entry. In order to obtain release of goods, a paper copy must be printed and presented to CBSA accompanied by the same supporting documentation as is required today. This formulates the “release package” which will enable the Border Services Officer to make a release decision. For additional clarity, no “release” decisions are made within the CARM system.

Frequently Asked Questions

The following represents responses to frequently asked questions related to this aspect of the CARM solution.

4. **When changes are made to a commercial accounting declaration, will the importer/broker be able to go in afterwards on the portal and easily identify what change were made?**
   - Versioning will allow importers/brokers to see what changes were made to the commercial accounting declaration and by which party, depending on the type of access granted in the CARM Client Portal.
   - Importers will have the ability to set data visibility constraints on their relationship with a service provider, however, each service provider can always see the transactions they have submitted on behalf of their client. Visibility rules apply to all transactions, including commercial accounting declarations.

5. **Will backup documentation be needed to submit an adjustment?**
   - Supporting documentation will be required for all changes resulting in refunds (credits) during the adjustment period within a prescribed time period. Revenue neutral and upward (accounts receivable/debits) adjustments will not require supporting documentation at time of submission, however, a Compliance Officer may request supporting documentation for any adjustment at their discretion. Supporting documentation can only be attached via the CARM Client Portal.

6. **How will “blanket adjustments” be handled in CARM?**
   - Mass adjustments will replace the current blanket process. The CARM Client Portal enables both electronic data interchange (EDI) and non-EDI participants to perform mass adjustments by supporting multiple adjustments for the same reason. In other words, mass adjustments can be completed through the CARM Client Portal or EDI.
   - The minimum number of transactions for processing a mass adjustment are two (2) transactions.

Frequently Asked Questions

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7. **Will there be a limit to the number of lines on a commercial accounting declaration?**
   - There will be a file size limit of 50MB, which represents approximately 10,000 lines on the commercial accounting declaration.

8. **Will paper B2s and B3s be accepted once the commercial accounting declaration is introduced?**
   - Paper B2s (request for adjustment) and B3s (Customs Coding Form) will no longer be accepted once the commercial accounting declaration is available with CARM's Release 2.

9. **What becomes of the Detailed Adjustment Statement (DAS) process in CARM with respect to Adjustments?**
   - Statement of Adjustment will replace the current paper Detailed Adjustment Statement (DAS). It will be sent via the CARM Client Portal to importers and customs brokers as soon as an adjustment has been processed.

More information on CARM

For further details on the project:

- ✓ Visit the CARM section of the CBSA website
- ✓ Email: CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca
- ✓ Follow CARM on LinkedIn (CBSA Assessment and Revenue Management group)
- ✓ Join the CARM group on GCcollab