



CARM and the Role of the Broker



With the CBSA Assessment Revenue Management (CARM) Release 2 proposed to come into force for all importers in May 2024, the relationship between the importer and broker will undergo significant changes.

Can importers still use a broker under CARM?

Under CARM, importers will be responsible for most account management processes. Importers will have to use the CARM Client Portal (also known as the CCP) to pay duties and taxes, and for any other financial transactions with Canada Border Services Agency (CBSA). The portal can also be used to apply for binding rulings and to determine tariff classification. For many importers, these functions have been handled by their broker or other service provider. Businesses will have the option to continue working with their brokers, or to move some processes and functions in-house. Importers can prepare now by registering on the CARM Client Portal (CCP).

What services will be most impacted by CARM?

CARM will change the way importers work with their customs brokers. In particular, there are four key areas where CARM will have an impact on the relationship between importers and their brokers:

Surety Bonds

Under CARM, importers will no longer be able to rely on their customs brokers to hold surety bonds. In order to access the Release Prior to Payment (RPP) program, importers will have to provide their own financial security to clear their shipments for arrival to Canada.

Payables

Currently, customs brokers often manage their clients' CBSA balances, statements and payments. CARM will require that

importers take on this responsibility. Importers can either move this function in-house or give their brokers portal access in order to continue to manage this process.

Customs Rulings

CARM will allow for the electronic filing of customs rulings. Again, this process can be moved in-house, or importers can provide their brokers or other service providers with portal access so that they may continue to manage this function on their behalf.

Duties and Taxes

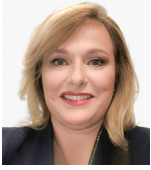
Goods coming into Canada must be classified in order to ensure the proper payment of duties and taxes. Goods that are wrongly classified could result in monetary penalties to the importer. Importers may leave the classification responsibility with their broker or other service provider as part of the normal customs entry process, or they may move the function in-house.

Is there anything you as an importer need to do?

Importers should have a discussion with their broker to clearly define roles under the new CARM rules. Importers will need to give their customs broker(s) or other service provider(s) delegated authority within the CARM Client Portal if they wish to have them continue to manage transactions on their behalf. Prior to the go live date for CARM, a broker will need delegated access in order to transmit Commercial Accounting Declarations (CAD) for customs entries.

Have questions or need help?

The KPMG Trade and Customs team would be happy to answer any questions you have regarding CARM on a complementary basis.



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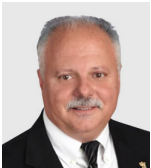
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