



# TaxNewsFlash

Canada

## Importers — Final CARM Release Delayed to May 2024

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Importers, brokers and other trade chain partners now have additional time to prepare for significant changes under the final phase of the Canada Border Services Agency (CBSA) Assessment and Revenue Management (CARM) project. While certain selected importers are still expected to have access to the CARM Release 2 system in October 2023 as part of a soft launch, the CBSA has announced that CARM Release 2 is not expected to become the official system of record for imported goods into Canada until May 2024. As a result, importers of goods into Canada must register on the new CARM Client Portal (CCP) and review the new system prior to May 2024 to minimize potential disruptions to their supply chain. Among other changes, importers will also have to post their own financial security to clear shipments and receive release prior to payment (RPP) privileges with the CBSA as of May 2024, subject to a 180-day transition period available for importers that are registered on the CCP before that date.

Although many importers may welcome the delay of the final phase of CARM implementation, they should still act quickly to understand the full extent of how they may be affected by these changes and ensure they take the appropriate steps to prepare for the new CARM system before it comes into effect.

### **Background**

The CBSA launched the first phase of CARM, a mandatory multi-year initiative aimed at transforming the processes of importing commercial goods into Canada, in May 2021. As part of the first phase, importers could register on the CCP and use the portal to delegate access and permissions, view account information, apply for advanced customs rulings and make electronic payments.

In December 2022, the CBSA released related draft regulations intended to support the final phase of CARM, expected to be effective May 2024. The draft regulations include changes affecting the *Customs Act* and the *Customs Tariff*, that are intended to:

- Establish requirements for electronic communication between CBSA and trade chain partners
- Implement simplified billing cycles
- Impose requirements for electronic administration
- Establish new financial security measures
- Update outdated references and language.

For further details on the December 2022 consultation, see *TaxNewsNow* “[Trade chain partners — CBSA asks for input on CARM’s systems and process changes](#)”.

### Prepare now for CARM changes

All importers of goods into Canada will see significant changes to their import processes and related obligations once the final phase of the new CARM system is implemented. As a result, importers must prepare for the CARM changes well before May 2024 to minimize potential disruptions to their supply chain. In particular, importers must:

- **Register on the new CCP** – Importers will have to designate a representative who will have the ultimate responsibility to register their business on the CCP, and control and manage all the accounts within the CCP.
- **Determine new obligations and requirements** – Importers must identify how CARM will affect their processes and obligations and take the appropriate steps to minimize the impact on their imports of good into Canada.
- **Obtain account security** – Importers must obtain their own adequate account security. This security guarantees the payment of all duties and taxes on goods imported into Canada to the CBSA. Importers will no longer be able to rely on their customs brokers’ surety bonds (note that a 180-day transition period may apply, if registered on the new CCP prior to May 2024).
- **Manage statements and balances** – Importers must determine how they will cost-effectively manage statements, balances, and payments through the CCP. Currently, importers may rely on their brokers to manage these obligations. Importers will have to either manage these items through the CCP themselves or provide the proper access to their brokers or third-party service providers to help them.

## We can help

KPMG can help you assess how these CARM changes may affect you. For more information, contact your KPMG adviser or one of the following Trade and Customs professionals:

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