



CARM

Frequently Asked Questions

Why do I need to get a surety bond?

Under the CARM program CBSA is mandating all Importers to obtain a security (CBSA Release Prior to Payment) bond. It allows importers to remit applicable duty and taxes at the end of each month, provides the importer with extended payment terms, and limits risks for all parties.

Why can't the broker keep paying my duties and taxes?

As a mandatory requirement by CBSA, a bond is required to be secured. Though the broker has the ability to make payments on the importer's behalf, a direct transaction between CBSA and the importer alleviates the financial risk to all parties involved.

Why hasn't my broker pushed me to get a bond yet?

It has become apparent that many brokers apply lucrative fees for paying duties and GST for their client and use it to subsidize their costs. In a low interest environment, it makes sense for some to borrow money at 1% and charge it out at 2-3%. While the spread is small, on millions of dollars per month in duty and GST that a typical broker handles, it can quickly add up. If ever the broker collected money from you and didn't remit it to the government, you are still liable to pay those amounts.

How do I set up a bond?

In order to setup the bond, you can enlist the help of your customs broker who will be able to have the bond issued. Additionally, you can approach a surety company directly to help you with the setup process.

How long does the bond take to set up?

While it depends on the speed of the financial information exchange between the importer and bond issuer, it usually takes about two weeks before the bond itself is issued and can take CBSA another 2-4 weeks to activate and update that bond on file. As we get closer to the CARM R2 implementation date (May 2022), we will see a significant delay in the issuance of these bonds as many importers will be requesting security requirements at this time.

How much does the bond cost?

The cost of your bond will be based on a few factors. The size of the bond will be the determining factor in the final cost calculation. Your company's financial health plays a major role in ultimately determining that cost. If your finances are solid, there is little risk to the insurance company and therefore translates into favorable rates. You can expect to have to post some level of collateral if your finances are risky, and your rates would be factoring in that financial risk.

How can I register on the CARM Portal?

We strongly encourage you to visit the [CBSA CARM Tutorials Playlist on YouTube](#) for a step-by-step guidance on navigating the new CARM Portal!

What happens if I don't register on the CARM Client Portal?

Under the CARM program it is a mandatory requirement for all importers to be registered.

Will it be business as usual right after I register on the CARM Portal?

Yes. However, you will need to delegate authority to your customs broker to be able to perform transactions on your behalf. At this time, you can also setup an additional business account managers (BAM) and delegate authority within your organization.

Does all of this apply to Non-Resident Importers as well?

Regardless of importer status, Resident or Non-Resident, ALL importers into Canada must be registered on the CARM Client Portal and hold the adequate security (Bond) with CBSA.