

MEDIA RELEASE

Surety Association of Canada's Surety Members are Ready for CARM Release 3

October 3, 2024 – Mississauga, ON – Further to the Canada Border Services Agency's [Customs Notice 24-29](#); effective October 21, 2024 the CBSA Assessment and Revenue Management (CARM) system will become the official system for importers and other trade chain partners (TCPs) to account for their goods and pay applicable duties and taxes owed to the Canada Border Services Agency.

One of the legislative requirements with the launch of CARM will be for importers who wish to participate (or continue to participate) in the Release Prior to Payment (RPP) Program will be to obtain financial security for the release of goods from the CBSA before the final accounting and payment of duties and taxes. Importers will have the following two options:

- **Option 1:** obtain a financial security instrument for 50% of their highest monthly accounts receivable (inclusive of GST) with a minimum financial security of \$5,000 per import program (RM)
- **Option 2:** submit a cash security deposit for 100% of their highest monthly accounts receivable (inclusive of GST)

More information about these changes can be accessed on the CBSA's website [HERE](#).

The Surety Association of Canada (SAC) has been a participating member of the Trade Chain Partner Working Group since the outset of this initiative by actively participating in discussions with the CBSA and TCPs so to provide information and recommendations pertaining to the changes pertaining to financial security (i.e., customs bonds).

"In addition to our association's participation, our surety members have been investing significant time and resources to support the transition to CARM," stated Steven D. Ness, President & Chief Operating Officer at the Surety Association of Canada. "In addition, we have continually conveyed how surety bonds are a non-intrusive means of obtaining financial security as they do not tie up an importers' working capital and/or borrowing power, thus freeing up cash to be used in the operation of an importer's business."

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To obtain a bond is a relatively easy and quick process; importers can visit the SAC on-line broker directory to locate a surety broker who will work with them to obtain a bond from a surety provider. For lower bond amounts, such as the \$5,000 minimum requirement, bonds are likely to be produced as a “quick write” and provided instantaneously. Higher bond amounts may take one or three days to obtain as additional information may be required from the importer.

“Most importantly, we would like to convey to the industry that **sureties are ready for CARM Release 3**,” stated Sharon Clark-Koufis, Vice President of Operations at the Surety Association of Canada. “They have the team and resources in place to manage the expected increase of bond requests from importers; as well, many have implemented a direct connection with the CARM Client Portal (CCP) to transmit bond information via an Application Programming Interface (API) developed by the CBSA”.

It is important to note that as per [Customs Notice 24-27: CARM October Implementation – Transition Measures](#), regulations will introduce a 180-day transition period following CARM implementation, from October 21, 2024 to April 19, 2025, to allow time for importers to obtain financial security. This will give importers and their service providers time to adapt to the new financial security model and avoid border disruptions. However, it is encouraged that importers should not wait until the end of this transition period to obtain a bond; sureties are able and ready to assist at anytime with this requirement.

To access SAC’s on-line broker directory, click [HERE](#). For more information about RPP Bonds, click [HERE](#).

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For questions and media inquiries, please contact:

Sharon Clark-Koufis
Vice President, Operations
Surety Association of Canada
P: (905) 677-1353 ext. 202
C: (647) 973-8722
E: sclark@suretycanada.com

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About the Surety Association of Canada:

The Surety Association of Canada (SAC) is the national trade advocacy association that represents the interests of the surety industry across Canada. Its members consist of primary surety firms, surety reinsurers, surety/insurance brokers, and other organizations that provide related and complementary services to the surety industry.

While the majority of the surety industry's premium revenue is derived from construction contract bonds, SAC also represents the interests of those organizations that focus on non-contract or commercial surety. SAC does not represent or advocate on behalf of the fidelity bond industry.

Since its formation in 1992, SAC has become a trusted resource for construction purchasers, design professionals, contractors, suppliers and other stakeholders in construction and business communities. SAC has developed its own bond forms in response to industry need and in consultation with the construction industry.

SAC and its members regularly meet with owners, contractors, other associations and related organizations to educate them about surety bonds and the suretyship process. SAC also monitors legislation across the country that will impact its members and works diligently to advance the surety cause with lawmakers and government officials.