



CARMS Program

Compliance and Financial Considerations for Importers

Discover how the CARMS program impacts Canadian businesses with importing operations and how surety bonds can help you maintain compliance while managing costs.

What is the CBSA's CARMS Program?

The Canada Border Services Agency (CBSA) is in the process of rolling out its new revenue management system, the **CBSA Assessment and Revenue Management (CARMS)**¹ program. Designed to modernize and streamline the way duties and taxes on commercial goods are assessed, CARMS impacts how businesses with importing operations manage their financial obligations with the CBSA.

Under this system, importers are responsible for directly securing and managing their financial guarantees, shifting accountability from customs brokers to the importing businesses themselves.

Why Does CARMS Matter for Your Business?

The implementation of CARMS means that your business will need to ensure compliance with new customs procedures, particularly when it comes to financial responsibilities. Compliance with these new regulations is crucial, as any oversight can result in delays, penalties, or unnecessary expenses.

One critical element is the requirement for **Release Prior to Payment (RPP) bonds**², which act as a financial guarantee ensuring the timely payment of duties and taxes. Without an RPP bond, businesses may face cash flow issues, as they would be required to settle these payments immediately rather than delaying them until the end of the billing period.

Financial Impacts: The Importance of Surety Bonds

For finance leaders like CFOs, VPs, and Owners, the key financial implication of the CARMS program lies in the **surety bond** requirement. These bonds provide a cost-effective alternative to liquid guarantees like cash deposits or letters of credit, which can tie up significant working capital.

Some benefits of surety bonds include:

- **Cash flow flexibility:** By securing an RPP bond, your business can release goods from customs before paying duties and taxes, keeping capital free for operational needs.
- **Lower costs:** Compared to other financial guarantees, surety bonds have lower premium costs, allowing your business to retain liquidity.
- **Operational efficiency:** The bond process is streamlined, and once in place, it simplifies compliance with CBSA requirements without the need for additional financial arrangements.

¹<https://www.cbsa-asfc.gc.ca/services/carm-gcra/start-passer-eng.html>

²<https://www.suretycanada.com/SAC/ResourceS/CBSA-CARM-RPP-Bonds>

Compliance is Non-Negotiable

With the October deadline for securing RPP bonds fast approaching, businesses must ensure they have the proper financial guarantees in place to avoid disruptions in their importing operations. Working with a trusted surety expert can help you navigate the complexities of the CARMS program and secure the best terms for your bonds.

Ready to Comply with CARMS?

Don't let the new CARMS requirements catch your business off guard. [Contact a HUB International Surety expert today](#) to explore your options for securing a compliant financial guarantee through an RPP bond. Our specialists will ensure your importing operations remain uninterrupted and cost-efficient, so your business stays on track.

We're HUB

When you partner with HUB, you're at the centre of a vast network of experts who will help you reach your goals. HUB can help develop a benefits strategy that will protect your bottom line, support your workforce and build resiliency. For more information on how to manage your insurance costs, reduce your risk and take care of your employees, talk to a HUB advisor.

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