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CARM Context

General Facts and Figures

- Importers that have registered to date in the CARM Client Portal account for approximately 86% of all goods commercially imported in to Canada
- Approximately 94% of importers that have registered in the CARM Client Portal to date are small or medium-sized businesses
- 117 terminals across 73 sites will have provide access to the CARM Client Portal by May, 2024
- The current system used to manage the collection of duties and taxes is at the border is 36 years old and at risk of failure
- CARM will replace 9 aging legacy systems
- 12 Regulations are impacted by CARM and 1 new Regulation under the *Customs Act* has been introduced
- Between 2018 and 2022 the held 35 consultation sessions with Trade Chain Partners
- Between 2018 and 2022 the CBSA held 63 technical working groups sessions with Trade Chain Partners
- Between 2018 and 2022 the CBSA held 169 engagement events with Trade Chain Partners
- 73 Trade Chain Partners were invited to participate in CES 1.0 exercise
- 44 Trade Chain Partners were invited to participate in CES 2.0 exercise

Budget

- Funding for CARM was first set aside in fiscal year 2010-2011 and has been secured by way of successive Treasury Board Submissions.
- Total project expenditure authority to develop CARM is up to \$526.8 million of which \$438.4 million (inclusive of HST, Employee Benefits, and standard transfers to SSC and PSPC) had been spent as of December 31, 2023. Development includes the full costs of all activities and deliverables from the project definition phase through to, and including, project close-out.
- Total project expenditure authority to maintain CARM is up to \$179.5 million of which \$118.4 million (inclusive of HST, Employee Benefits, and standard transfers to SSC and PSPC) had been spent as of December 31, 2023. On-going maintenance costs are those that are permanently required for operations and maintenance as a result of the project.

Contracting

- Deloitte, the CBSA's strategic partner on CARM, was selected via competitive, Public Services and Procurement Canada-run procurement processes.
- In January 2013, a first contract was awarded to Deloitte for work on CARM planning and initiation.

- In January 2015, a second contract was awarded to Deloitte for work on Phase 1 of the CARM Project, the Accounts Receivable Ledger.
- In June 2016, a third contract was awarded to Deloitte for work on Accounts Receivable Ledger solution support.
- In February 2018, a fourth contract was awarded to Deloitte to design, develop, implement, and provide ongoing infrastructure and application management support services for the CARM Phase 2 solution.

Testing

- Major CARM releases have been subject to rigorous testing.
- Release 2, which is scheduled to be implemented in May 2024 has been through over 4,200 test cases.
- The CARM Experience Simulation was launched to allow selected partners to gain experience within the CARM Release 2 environment.

Oversight

- CARM is subject to Treasury Board of Canada Secretariat oversight including regular reporting requirements.
- Public Services and Procurement Canada is the Contracting Authority on the second and fourth CARM contracts with Deloitte.
- Independent and arm's length oversight has been provided throughout the lifespan of the project through multiple audits, health checks, and independent third party reviews.

Engagement

- CARM has a documented engagement strategy that includes engagement with Trade Chain Partners, other government departments, and internal CBSA stakeholders.
- Forums include regular Trade Chain Partner working groups, weekly governance meetings, webinars, and mail-outs from both the CBSA and partner intermediaries.
- Trade Chain Partners have been included in CARM testing activities and the CARM Experience Simulation.
- Stakeholder input has been taken into consideration by the CBSA when making decisions and was a key consideration in the decision to move the Release 2 go-live date to May 2024.

DISPOSITION SHEET

Message	CBSA Response
<p>CARM is taking a “big bang” approach that will jeopardize the flow of legitimate goods across the border and the efficient and accurate collection of duties and taxes.</p>	<ul style="list-style-type: none">• CARM has been implemented over multiple releases since Phase 1 of the project was completed in January 2016.• More recently, in May 2021 the CARM Client Portal was launched; since this time, Trade Chain Partners such as importers have been able to register in the CARM Client Portal.• While the CBSA recognizes that the launch of Release 2 in May 2024 will represent a significant change to the manner in which duties and taxes for commercial goods imported into Canada are imposed or levied, the Agency has taken a number of steps to ensure that neither the flow of legitimate goods across the border, nor the payment of duties and taxes, are jeopardized by the launch of Release 2.• Measures that will be in place to ease the transition to Release 2 include:<ul style="list-style-type: none">○ The establishment of a 180 day period within which goods may still be released prior to payment of duties and taxes without

Message	CBSA Response
	<p>requiring the importer to give a security; and,</p> <ul style="list-style-type: none"> ○ A broker business number transition period that will support the use of broker business numbers to submit accounting on behalf of their importer clients who have not yet registered in the CARM Client Portal.
<p>Release 2 is going to cause delays at the border, result in goods being abandoned, increase costs, and jeopardize the flow of legitimate goods into Canada.</p>	<ul style="list-style-type: none"> ● CARM is an accounting system and will not be replacing the system used in the release of goods. ● CARM will help improve compliance with trade rules, reduce lost revenue, and simplify the import process. ● In addition to the measures noted above to help ease the transition to CARM (180 day Release Prior to Payment transition period and broker business number transition period), increased staffing and resource availability will be in place in May 2024. ● This month, public facing terminals with access to the CARM Client Portal are being deployed at ports of entry across the country. These terminals will provide another way for small businesses who transact directly with the CBSA to register in the portal.

Message	CBSA Response
<p>Neither the CBSA nor Trade Chain Partners are ready for Release 2. System issues remain unresolved, manual interventions have been introduced for processes that were previously automated, insufficient service supports will be available to deal with the volume of requests, the CBSA isn't communicating enough on Release 2, and policies have yet to be confirmed.</p>	<ul style="list-style-type: none"> • The CBSA is working with Trade Chain Partners to ensure that both the CBSA and Trade Chain Partners are well positioned for the implementation of CARM. • Since August 2023, the Agency has clearly and consistently communicated that CARM will be the system used for the imposing or levying of duties and taxes as of May 2024. CARM materials have been broadly shared with Trade Chain Partners and the CBSA is exploring innovative ways to engage small importers, such as through on site outreach events. • The CBSA recognizes that the transition to CARM represents a large shift for many Trade Chain Partners. Increased staffing and resourcing availability, including at ports of entry, will be available to support Trade Chain Partners in May 2024 as they adjust to Release 2. • Release 2 automates many of the manual processes that exist today, particularly with respect to program enrollment, and adjustments. • Known system issues and inefficiencies have been documented, and prioritized issues will be resolved prior to May 2024 with further enhancements expected to become available in fall 2024.

Message	CBSA Response
	<ul style="list-style-type: none"> • Policy and process guidance will be available for May 2024. The CBSA continues to communicate regularly through forums such as Trade Chain Partner working groups on CARM policy matters, including transitional measures.
<p>The system is not ready. Testing results are very concerning with defects continuing to arise in essential processes. Moreover, the system has major functionality gaps that will not be resolved prior to May 2024.</p>	<ul style="list-style-type: none"> • Release 2 has been rigorously tested using over 4,200 test cases over multiple testing cycles. • Known system issues and inefficiencies have been documented, and prioritized issues will be resolved prior to May 2024, with further enhancements expected to become available in fall 2024. • Results from the most recent CARM Experience Simulation show strong improvements in several areas, including meaningful reductions in the number of high priority issues identified by participants. • Results also demonstrate that the Release 2 solution will help • The CBSA continues to collect input from the CARM Experience Simulation and integrate it into its planning for future releases.
<p>Not running legacy systems in parallel is risky when so few end users have interacted with the solution and the solution has yet to prove itself.</p>	<ul style="list-style-type: none"> • The primary legacy system that CARM is replacing, the Customs Commercial System, is 36 years old and is at significant risk of failure.

Message	CBSA Response
	<ul style="list-style-type: none">• Running legacy systems in parallel with CARM after May 2024 is not considered feasible due to technical difficulties, high costs, and data integrity concerns.• Trade Chain Partners have been able to register in and navigate the CARM Client Portal since May 2021.• Measures are in place to support Trade Chain Partners now and in May 2024 as they register in the CARM Client Portal and familiarize themselves with Release 2. These include:<ul style="list-style-type: none">○ A CARM Client Support Helpdesk;○ User guides;○ Terminals with access to the CARM Client Portal at 73 sites across the country;○ Increased staffing and resource availability for May 2024; and,○ Transitional measures such as the broker business number transition period.• System outage contingency measures have been developed and will be in place should CARM suffer a delay at launch or system outage<ul style="list-style-type: none">○ The CBSA's publicly available Systems Outage Contingency Plan is being

Message	CBSA Response
	<p>updated to incorporate information on revised border processes in the instance of a CARM outage.</p>
<p>Transitional measures, including cutover measures, are going to be burdensome and costly for Trade Chain Partners.</p>	<ul style="list-style-type: none"> • Transitional measures are being implemented in response to concerns from Trade Chain Partners that the changes associated with CARM would be overwhelming if introduced all at once; particularly for importers not already registered in the CARM Client Portal. • Measures being implemented in anticipation of the cutover from existing legacy systems to CARM, during which legacy systems will be unavailable, will increase the available time for Trade Chain Partners to account, but will not represent a significant change to existing accounting processes. • The CBSA continues to encourage Trade Chain Partners to register in the CARM Client Portal prior to May 2024. This will provide Trade Chain Partners with the greatest degree of flexibility following May 13, 2024.
<p>The CBSA has failed to effectively manage CARM, resulting in delays, cost overruns, unnecessary costs to Trade Chain Partners, and</p>	<ul style="list-style-type: none"> • The CBSA's management of the project has been overseen by the Treasury Board of Canada Secretariat which receives

Message	CBSA Response
failures to meet performance and registration targets.	<p>regular updates on the progression of CARM.</p> <ul style="list-style-type: none">• Recognizing the scale and complexity associated with CARM, the CBSA sought out the expertise of a leading systems integrator to support the effective management of the project.• Changes to the project's launch dates reflect the CBSA's desire to get CARM right. The most recent decision to delay the Release 2 launch date was made in response to what the CBSA was hearing from partners and stakeholders, including those within the trade chain community.• Throughout the CARM project, the CBSA has worked regularly to identify and implement best practices and lessons learned. The launch of the CARM Experience Simulation is one such example.

CBSA ASSESSMENT AND REVENUE MANAGEMENT (CARM)

MAJOR EVENTS TIMELINE

The CARM Project, in its entirety, encompasses two phases each with three releases:

- CARM Phase 1 Accounts Receivable Ledger (ARL): Release 1A - Client Master Data / Release 1B - ePay for CBSA clients / Release 1C - Full implementation of Accounts Receivable Ledger
- CARM Phase 2: Release 0 - Moving ARL to the Cloud / Release 1 – Client Portal / Release 2 – Full implementation of CARM

October 2007	OAG report identifying issues with design of CBSA revenue assessment and collection systems (Ch. 5: Keeping the Border Open and Secure)	OAG Report
May 2009	CARM Feasibility study	Foundational Document
March 2010	Funding allocated in 2010 to initiate CARM Phase 1 (ARL) ➤ \$371,502,595 million (excluding HST)	Funding*
June 2010	TB Submission #1: Grants the CBSA project approval authority to launch CARM Phase 1 (ARL) ➤ Indicative cost of \$31,025,780 million (inclusive of tax)	Funding*
October 2010	OAG report identifying issues with lost revenue due to CBSA accounting systems (Ch. 8: Facilitating the Flow of Imported Commercial Goods)	OAG Report
November 2011	CARM Business Case	Foundational Document
December 2011	TB Submission #2: Grants the CBSA project approval authority to launch CARM Phase 2 as well as full funding and expenditure authorities ➤ Indicative cost of \$340,476,815 million (inclusive of tax)	Funding*
January 2013	Contract awarded to Deloitte for CARM's planning and initiation stage ➤ Competitively awarded	Contracting
October 2014	TB Submission #3: Grants the CBSA project approval authority to combine authorities from TB Submissions #1 and #2 and provides \$371.5 million ➤ No new funding received	Funding
January 2015	Contract awarded to Deloitte for the CARM Phase 1 (ARL) ➤ Competitively awarded	Contracting
April 2015	CARM Phase 1 (ARL) Release 1A: Client Master Data	Product Release
	CARM Phase 1 (ARL) Release 1B: ePay for CBSA Clients	Product Release
December 2015	CARM Phase 1 (ARL) User Acceptance Testing complete	Testing
January 2016	CARM Phase 1 (ARL) Release 1C: Full implementation of ARL	Product Release

June 2016	Contract awarded to Deloitte for the CARM Phase 1 (ARL) Solution Support ➤ Competitively awarded	Contracting
May 2017	OAG report identifying challenges with the collection of customs duties	OAG Report
November 2017	TB Submission #4: Grants the CBSA amended expenditure authority for CARM Phase 2 ➤ No funding received	Funding
February 2018	Contract awarded to Deloitte for the CARM Phase 2 ➤ Competitively awarded	Contracting
March 2019	TB Submission #5: Grants the CBSA amended expenditure and contracting authority for CARM Phase 2 ➤ No funding received	Funding
June 2020	CARM Phase 2 Release 0 test results are published ➤ Testing included Unit Testing, System Integration Testing, Performance Testing, Operations Testing, and Security Testing	Testing
November 2020	TB Submission #6: Grants the CBSA amended expenditure and contracting authority for CARM Phase 2 - total funding increased to \$413.5 million ➤ Increase in project approval authority of \$41,950,846 million (inclusive of tax)	Funding*
January 2021	CARM Phase 2 Release 0: Moving ARL to the Cloud	Product Release
	CARM Phase 2 Release 1 test results are published ➤ Testing included Unit Testing, System Integration Testing, Performance Testing, Operations Testing, and Security Testing	Testing
May 2021	CARM Phase 2 Release 1: Client Portal	Product Release
April 2022	CARM Phase 2 Release 2 test results are published ➤ Testing included partial Deliverable for System Integration Testing, Deep Cycle Testing, Security Testing	Testing
June 2022	2022 <i>Budget Implementation Act</i> , containing CARM legislative amendments, receives Royal Assent	Legislation/Regulations
September 2022	CARM Phase 2 Release 2 results are published ➤ Testing included updated System Integration Test	Testing
October 2022	TB Submission #7: Grants the CBSA amended expenditure and contracting authority for CARM Phase 2 - total funding increased to \$526.8 million ➤ Increase in project approval authority of \$113,391,755 million (inclusive of tax)	Funding*
November 2022	Proposed regulatory amendments for CARM are published in the Canada Gazette (Part 1, Volume 156, Number 48).	Legislation/Regulations
February 2023	CARM Phase 2 Release 2 CARM Experience Simulation 1.0 began	Readiness Activity
May 2023	CARM Phase 2 Release 2 User Acceptance Testing results are published and signed by the Contractor representative.	Testing

June 2023	CARM Phase 2 Release 2 CARM Experience Simulation 1.0 concluded	Readiness Activity
October 2023	OAG report on the necessity to modernize aging IT systems	OAG Report
	CARM Phase 2 Release 2 CARM Experience Simulation 2.0 began	Readiness Activity
March 2024	CARM Phase 2 Release 2 CARM Experience Simulation 2.0 concluded	Readiness Activity
	Regulatory amendments for CARM are published in the Canada Gazette (Part 2, Volume 158, Number 6)	Legislation/Regulations
May 2024	CARM Phase 2 Release 2: Full implementation of CARM	Product Release

*Authorities reflected under the Funding category are 'up-to amounts' or 'maximum allowable amounts', not expenditures.

CBSA ASSESSMENT AND REVENUE MANAGEMENT (CARM) **QUESTIONS AND ANSWERS**

General

Q: What is CBSA Assessment and Revenue Management (CARM)?

CARM is a multi-year project to replace the CBSA's 36-year old legacy system used for the imposing or levying of duties and taxes at the border, as well as eight additional legacy systems currently in use by the Agency. CARM will be responsible for the tracking of approximately \$40 billion per year in duties and taxes and protect and grow approximately \$800 billion in annual cross-border trade.

Q: Why is CARM necessary?

With CARM, the CBSA will be introducing changes to how it does business. These changes are being introduced to help improve compliance with trade rules, reduce lost revenue, and simplify the import process.

The necessity of CARM has been underscored by successive audits undertaken by the Office of the Auditor General which have found deficiencies in the CBSA's ability to accurately assess all customs duties, major inefficiencies in Agency revenue systems, and highlighted the numerous disadvantages of maintaining aging systems on old and outdated infrastructure.

Q: Who is the CBSA working with to develop and implement CARM?

Deloitte has been contracted to design, develop, implement, and provide ongoing infrastructure and application management services for CARM.

Key federal partners include the Canada Revenue Agency (CRA), Public Services and Procurement Canada (PSPC) – which has provided procurement support for CARM and serves as the contracting authority – and the Treasury Board of Canada Secretariat, which has facilitated oversight of the project.

Q: What benefits will CARM provide?

CARM will provide a number of immediate and ongoing benefits for the Government of Canada and Canadian businesses:

- Increased efficiency through the elimination of paper-based and manual processes – specifically with respect to billing, registration, enrollment, and re-assessment.
- Increased Government of Canada revenues through the facilitation of importer compliance with better and more accessible tools that will assist importers to submit declarations that are true, accurate, and complete.
- Increased transparency through a modern system that will provide a more comprehensive view of importer activities and history.
- Increased functionality for importers through the ability to enroll in commercial programs, submit accounting documents and upload supporting documents, and receive notifications through their CARM Client Portal account.

- Increased reporting functionality through a centralized data reporting system and real-time monitoring capabilities, allowing for recognition of patterns and trends.

Q: Will the implementation of Release 2 in May 2024 have an effect on border wait times?

The system used in the release of goods – ACROSS – will not be changing with the implementation of CARM and will continue to operate. Release 2 of CARM, which is an accounting system, has been rigorously tested with over 4,200 test cases being executed over the course of multiple testing cycles. This has included testing for integration with other systems, penetration testing (simulating a cyberattack), and simulated user loads.

Moreover, the CBSA has, and continues to implement a range of measures to ensure that Release 2 does not impact border processing. These include the launch of the CARM Experience Simulation, system outage contingency planning, increased staffing and resource availability, and the introduction of transitional measures to support the continued movement of legitimate goods across the border as Trade Chain Partners adjust to Release 2.

Q: Has the CBSA consulted with industry on the design and implementation of CARM?

The CBSA has consulted broadly with Trade Chain Partners, including: commercial importers; customs brokers; exporters; carriers; couriers; freight forwarders; duty free shop operators; customs bonded warehouse operators; sufferance warehouse operators; surety companies;

and, financial institutions. Furthermore, engagement has also taken place with representatives from a variety of associations, including: the Canadian Federation of Independent Business; Importer and Exporter Canada; and, the Canadian Society of Customs Brokers.

Trade Chain Partners have been kept up to date on key features of CARM through monthly webinars, regular updates to the CBSA website, direct outreach, and participation in the CBSA's Trade Chain Partner Working Group. The CBSA launched the CARM Experience Simulation, allowing selected partners to gain experience within the CARM environment. Feedback has been used to improve CARM functionalities, shape project planning and implementation date decision making, and inform the picture for future CARM releases and functionalities.

Q: Will all importers of commercial goods require a CARM Client Portal account?

Yes, following the launch of Release 2 in May 2024, all importers, even those who use a customs broker or other third party service provider, will be required to register in the CARM Client Portal. During the broker business number transition period, brokers may use their own business number to submit accounting for goods released should a client not yet have registered in the CARM Client Portal.

Q: As of March 2024 how many importers have registered in the CARM Client Portal?

As of March 2024, approximately 56,000 importers have registered to CARM through the creation of a CARM Client Portal account. This includes a subset – 2,550 of them – who are responsible for approximately 86% of

the volume of imported goods through the commercial stream. There are an estimated 80,000 active importers each month.

The CBSA continues to work with the trade chain community to encourage the registration of Trade Chain Partners in the CARM Client Portal via CARM in person registration days, targeted webinars, and mail-outs from both the CBSA and partner intermediaries such as the CRA and Innovation, Science and Economic Development Canada. Public facing terminals with access to the CARM Client Portal will be deployed in March 2024 and provide an opportunity for small businesses who transact directly with the CBSA to register in the portal. Following Release 2 in May 2024, increased resourcing and service levels will be available, including at ports of entry, to help facilitate trade chain partner onboarding to the CARM Client Portal.

Q: If CARM was intended for small importers – how many such importers have a CARM Client Portal account?

Of the approximately 56,000 importers with a CARM Client Portal account as of March 2024, about 95% are small or medium sized importers. Through direct outreach and in-person registration events, the CBSA is working to onboard the top 2,150 small importers (those that present entries in person) to the CARM Client Portal. Approximately 34% of these importers are currently registered in the portal.

Transition to CARM

Q: Is CARM being released in a ‘big bang’ approach on May 13, 2024?

CARM is a multi-phased project which is being completed over two phases and multiple releases. The first phase, which consisted of the development and release of the Accounts Receivable Ledger, was implemented in 2016. The Accounts Receivable Ledger enabled the CBSA's transition away from multiple non-integrated accounting systems that were heavily reliant upon manual data manipulation. The second phase consists of three major releases: Release 0, Release 1, and Release 2:

- Release 0 was launched in January 2021, setting the foundation for future releases by migrating the Accounts Receivable Ledger to the cloud.
- Release 1 was launched in May 2021, introducing the CARM Client Portal and enabling self service account access for importers, brokers, and trade consultants.

Release 2, which is scheduled to launch on May 13, 2024 will have the greatest impact on the ways in which the CBSA and Trade Chain Partners do business. Recognizing this, the CBSA has taken several important steps to make sure that it gets Release 2 right, including:

- Taking business and partner readiness feedback into consideration when finalizing launch dates;
- Conducting two cycles of the CARM Experience Simulation; and,
- Establishing a 180 day transition period under the Release Prior to Payment Transition Plan.

Q: What measures will be in place to supports Trade Chain Partners in the transition to Release 2?

The CBSA will be implementing a range of measures to support the trade chain community in the transition to CARM as the system used for the imposing or levying of duties and taxes at the border. These include:

- Importers with a CARM Client Portal account or a history of importing commercial goods into Canada within the past four years and an account in good standing will be granted a 180 day period within which goods may still be released prior to payment of duties and taxes without requiring the importer to give a security;
- A broker business number transition period that will support the use of broker business numbers to submit accounting on behalf of their importer clients who have not yet registered in the CARM Client Portal;
- The installation of terminals with access to the CARM Client Portal at 73 sites across the country;
- Increased support from the service provider in anticipation of higher than normal service request volumes; and,
- Expanded staffing and CARM Client Support Helpdesk capacity.

In addition, Trade Chain Partners will play a significant role in helping to bring about a smooth transition to Release. Through a variety of forums including the CBSA's website, direct outreach, and monthly webinars, the CBSA has been regularly engaging Trade Chain Partners with the aim of raising their awareness of, and preparedness for, Release. Significantly, concerns raised by Trade Chain Partners regarding the busy nature of the

fall shopping season played a key role in shaping the CBSA's decision to delay the Release 2 launch date to May 2024.

Q: What is the business continuity plan if CARM suffers a delay at launch, or in the event of a prolonged systems outage?

In the event that Release 2 is unable to launch on May 13, 2024, the cutover period and the operational procedures that accompany it would be extended. Any issues that may arise upon the launch of Release 2 will be addressed expeditiously, with resources available 24/7 to support cutover and launch activities.

Q: Will there be a transition period from the legacy systems to CARM?

The CBSA has introduced several measures to facilitate a seamless transition from existing business processes to CARM. CARM will become the system for the imposing or levying of duties and taxes on May 13, 2024.

Q: What is the process to create a CARM Client Portal account and how long does it take?

Onboarding can be completed in as little as ten minutes, should the Trade Chain Partner have the required information on hand. In order to register in the CARM Client Portal, Trade Chain Partners will require a previous B3 – Customs Coding Form, a Statement of Account, past payment information, and information about the legal entity (registered name and address). Once the required information has been provided, the portal will prompt users with a series of questions aimed at ensuring that they are authorized to create a business account within the portal. Trade

Chain Partners seeking support in creating a CARM Client Portal account can consult guidance documents available on the CBSA's website, or contact the CARM Client Support Helpdesk via an online contact form or toll-free phone number.

Q: How will late accounting penalties be assessed during the transition from the legacy system to CARM?

As part of the cutover from the existing legacy systems to CARM, legacy systems will be unavailable over the course of several days in April and May 2024. Discretion will be used to ensure that no late accounting penalties are issued respecting transactions negatively affected by the unavailability of legacy systems.

Project and Release Schedule

Q: Is CARM being delivered on schedule?

Release 2 is on track to be delivered on its scheduled launch date on May 13, 2024. The CARM schedule has changed in response to the need to address the complexity and magnitude of the changes being implemented across CARM's multiple releases, as well as the CBSA's desire to make sure that it gets CARM right and remains responsive to the concerns of partners and stakeholders, including those within the trade chain community.

Q: How does the CARM project compare to similar projects internationally?

While exact comparisons are difficult to make, a sampling of similar projects suggests that budgets and timeframes for comparable projects internationally are on a similar scale.

Country/Jurisdiction	Cost	Development Time
Canada	\$438.4 million spent on development as of December 31, 2023	14 years
United States	USD \$4.8 billion (estimated) <i>(around CAD \$6.4 billion)</i>	17 years to full deployment (2001-2018)
Mexico	Approximately CAD \$140 million (VUCEM 1 and 2)	2012 – 2018 (VUCEM 1 and 2). Ongoing improvements and new functionalities
European Union	2014-2020: €522.9 million <i>(around CAD \$804M)</i> 2021-2027: €950 million <i>(around CAD \$1.4B)</i>	2003 – 2025 (estimated)
United Kingdom	£180 million to build a UK Single Trade Window <i>(around CAD \$304 million)</i> £838 million to build the Customs Declaration Service <i>(around CAD \$1.4 billion)</i>	Since 2018
Australia	AUD \$879 million (estimated) <i>(around CAD \$794 million)</i>	2001-2015 (continuing improvements)

Q: How was Deloitte selected to work on CARM?

In partnership with PSPC, the CBSA ran an open procurement process to identify a business transformation and technology firm for this project. As per Government of Canada procurement best practices, the CBSA and PSPC consulted extensively with companies interested in the CARM Phase 2 contract. A letter of interest was posted to initiate engagement to which 13 suppliers responded, 11 of which went on to participate in one-on-one meetings with the CBSA to learn more about the planned requirements for the system. Four firms proceeded to submit responses at the conclusion of the Invitation to Qualify phase.

Following these engagements, a competitive Request for Proposal process was initiated. At the conclusion of the Request for Proposal process, two bidders submitted bids. On February 7, 2018, the CBSA entered into a contractual arrangement with Deloitte to design, develop, implement, and provide ongoing infrastructure and application management support services for the CARM Phase 2 solution.

CARM Technology and Support

Q: What systems are currently in place to support the assessment of duties and taxes at the border?

CARM will be replacing a number of systems currently in place to support the assessment of duties and taxes at the border. The principal system that CARM will be replacing, the Customs Commercial System, is 36 years old, difficult to modify, expensive to maintain, and at significant risk of failure. Other systems that will be decommissioned and retired following the Release 2 launch include the Tariff Publishing and History

System, the Administrative Monetary Penalty System, and the Batch Accounting Reporting K32 System.

Q: Where is CARM data stored and is it managed in a secure way?

Consistent with Treasury Board of Canada policies, CARM data is stored in a secure cloud environment hosted by a Shared Services Canada approved cloud services provider. Measures in place to ensure the protection of CARM data include the use of encryption on all CARM data stored in the cloud, access controls within the solution, the use of multi-factor authentication when logging in to the CARM Client Portal, the deactivation of accounts that have been inactive for over 180 days, and the requirement for importers to delegate authority to their brokers or other third party service providers. Moreover, each CARM release is required to complete a rigorous, three part security assessment process prior to receiving its Authority to Operate.

Q: How has Release 2 been tested?

Release 2, the release scheduled to be launched in May 2024, has successfully completed multiple testing cycles, including:

- Systems integration testing, during which over 850 test cases were executed;
- Deep cycle testing, which tested the integrations between Release 2, existing CBSA systems, and Trade Chain Partner systems;
- User acceptance testing, where business users validated that the solution was fit for purpose and during which over 3,400 test cases were executed; and,
- Two cycles of the CARM Experience Simulation.

Testers for Release 2 were pulled from across the CBSA, Government of Canada, and industry, and included the CRA, Descartes, Livingston, United Parcel Service, and General Motors.

Q: What is the CARM Experience Simulation?

Initiated by the CBSA and launched in early 2023, the CARM Experience Simulation is designed to provide end users with hands-on experience with the CARM solution. Within the CARM Experience Simulation, users have been able to run business scenarios, trial training materials and standard operating procedures, and improve their readiness for Release 2. Feedback gathered from participants has proven valuable in informing the CBSA's understanding of readiness for Release 2, as well as in identifying potential future functionalities for the CARM solution.

Q: Will the implementation of Release have an effect on the use of Commercial Cash Entry Processing System terminals?

The Agency's Commercial Cash Entry Processing System terminals will be replaced by terminals with access to the CARM Client Portal. These terminals, which will provide functionalities not available within the Commercial Cash Entry Processing System terminals, will be in place at 73 sites across the country prior to the launch of Release 2. Terminals with access to the CARM Client Portal will provide Trade Chain Partners with a means to register onsite in the CARM Client Portal in the event that they have not done so prior to arriving at the border.

Q: If there is a network or service outage that results in the temporary unavailability of CARM, how will this effect commercial importers and border wait times?

The CBSA's System Outage Contingency Plan is a publicly available document that sets out the procedures for the release of goods during a CBSA system outage including:

- When and how Trade Chain Partners are notified of an outage;
- The circumstances under which accounting time limits will be extended;
- Requirements for paper contingency forms;
- The establishment of buffer times following system outages to facilitate a smooth return to regular operations.

Processes and procedures established under the System Outage Contingency Plan are designed to minimize the impact of system outages on the flow of legitimate goods across the border. The CBSA is working to update the existing System Outage Contingency Plan to incorporate information on revised border processes in the instance of a CARM outage.

Q: What happens if duties and taxes imposed on imported goods are calculated incorrectly by CARM? What appeal or recourse options are available?

Trade Chain Partners who believe that duties and taxes have been incorrectly calculated by CARM will be able to submit a ticket via the CARM Client Support Helpdesk. Each ticket will be reviewed and should there be an error with the calculation, a system correction will be issued to correct the error. In some instances, a Trade Chain Partner may disagree with the

CBSA's determination that no calculation error has been made. In those instances, the applicable recourse available to the Trade Chain Partner will be dependant on the facts.

Policies and Financial Surety

Q: What is 'Importer of Record' and why has the CBSA chosen to implement this change?

In 2020, the Canadian International Trade Tribunal released a decision that affected the CBSA's ability to assess revenue on e-commerce in situations where an intermediary such as a customs broker had used their business number to account for the goods. This decision ran counter to the CBSA's longstanding practice of considering the importer of record as the primary contact and holder for revenue liabilities.

Accordingly, in June 2022, amendments to section 17 of the *Customs Act* received Royal Assent. These amendments helped to clarify who is liable for the payment of duties and taxes, as well as reducing lost revenue arising from the use of broker business numbers when accounting for imports, a practice which has become more common with the rise of e-commerce. Once the amendments come into force, the person identified as the importer on accounting documents (i.e. the "importer of record") will be liable for any owing duties and taxes. These changes are entirely separate from legislative and regulatory changes related to CARM.

The CBSA will be implementing a transition period following the Release 2 during which broker business numbers may continue to be used to represent importers who have not yet registered in the CARM Client Portal.

Q: Why do all commercial importers require a business number?

The requirement for Canadian businesses to obtain a Business Number from the CRA is a requirement of the Government of Canada Business Number Adoption Strategy.

The requirement for importers to have an importer business number is not new. This requirement originates early in the commercial continuum with the release of commercial goods (commercial stream). This currently is, and will continue to be, prescribed information necessary for the release of goods. The CBSA has historically provided certain exceptions to this requirement and will continue to carry forward certain exceptions following Release 2. In addition to this, the CBSA will also be introducing interim policy measures to further support industry's transition to CARM.

Q: Why are commercial importers no longer allowed to use the financial surety of their customs broker to obtain the of goods they import prior to the payment of duties and taxes?

The practice of using broker bonds for importer security undermines the CBSA's ability to appropriately mitigate risks to Crown revenue. Under the current approach, if the CBSA called on a broker's bond, each importer using that broker's bond – even those importers without an amount owing or a debt due – would lose that bond and not be able to obtain the release of goods prior to payment until a new bond is posted. This would adversely affect the flow of goods crossing the border. Under the importer liability model which is being introduced in May 2024, the CBSA will be able to call on an importer's security without preventing other importers from obtaining release prior to payment for goods they import.

Q: If an importer has a CARM Client Portal account do they need a customs broker?

Customs brokers provide a wide range of professional services and expertise to their clients. The decision as whether or not to engage the services of a customs broker or other third party service provider rests with each importer. When an importer has chosen to work with a customs broker or other third party service provider, the CARM Client Portal allows importers to delegate authority for their customs broker or third party service provider to transact on their behalf to the extent permitted by law. The introduction of CARM will not prevent importers from continuing to work with a customs broker to provide information to the CBSA via Electronic Data Interchange and benefit from Release on Minimum Documentation.

Q: If Canadian importers receives an input tax credit, why is GST included in the calculation of the amount of security?

While the input tax credit may be available to some businesses in Canada, the credit is not granted automatically. Importers wishing to benefit from the input tax credit are still responsible for payment of GST at the time of import. Should an importer meet the requirements for the input tax credit, a claim may be made at time of tax filing with the CRA.

Including GST in the amount of security required to obtain the release prior to payment of duties for imported goods helps to protect Crown revenue. Duties and taxes imposed on imported goods are payable at the border when such amounts are owed. When goods are released prior to the payment of duties and taxes, the duty and tax amounts payable must be secured by way of a financial security. This is particularly important for

the protection of Crown revenue in scenarios when an importer defaults at a later time on payments of duties or taxes that were not paid at the time of import.

Q: What are the minimum and maximum amounts for security for importers participating in the Release Prior to Payment Program?

The minimum amount for security under the Release Prior to Payment Program in May 2024 has been set at \$5,000 while the maximum has been set at \$10 million. The decision to set the minimum and maximum amounts at these levels follows the CBSA's consideration of a number of different amounts.

Alternatively, cash deposits will also be accepted for importers participating in the Release Prior to Payment Program. This option is designed to support small and infrequent importer participation in the program.

Q: Will CARM treat resident and non-resident importers in the same way?

Resident and non-resident importers are treated the same under the changes being introduced with Release 2. The CBSA recognizes that some non-resident importers may experience difficulties in both registering for an account in the CARM Client Portal, as well as making payments.

Accordingly, the CBSA has provided clarity around transitional measures that will be in place to allow non-resident importers to account under a customs broker's business number until the non-resident importer has completed their registration in the CARM Client Portal. Furthermore, the CBSA has worked collaboratively with financial institutions to offer

additional payment options; several alternative payment methods have been identified, including the continued usage of brokers to remit payments.

Q: How will CARM affect the Courier Low Value Shipment Program?

The CBSA is aware of the concerns of the express carrier community that Release could present challenges to their business model and the unimpeded flow of legitimate goods across the border. Release transition planning allows for the use of a broker's business number to submit accounting documents when the importer has not yet registered on the CARM Client Portal. This, coupled with the Release Prior to Payment Transition Plan, which will allow Release Prior to Payment access for up to 180 days, will serve to mitigate any possible disturbances to the continued immediate release of goods which is both critical and necessary in the courier environment.

Q: What impact will Release 2 have on importers that benefit from the Customs Self Assessment program?

The CBSA recognizes the impacts that Release 2 will have on some of our largest importers, many of whom are members of our Customs Self Assessment program and who today use their own systems to account for their shipments and determine duties and taxes owing to the Crown. The CBSA has taken a number of measures to maintain many of the benefits Customs Self Assessment importers currently experience and have incorporated them, when possible within the CARM system. Within CARM, Customs Self Assessment importers will experience:

- A new Commercial Accounting Declaration to account for goods that will replace the B3 form;
- A new CARM Statement of Account populated by the CBSA to replace the Revenue Summary Form; providing better clarity on account information;
- Online access to their accounts, transactional details (accounting, corrections, adjustments) and the Statement of Account;
- Expanded payment timelines and the ability to make corrections to accounting declarations (a new benefit); and,
- Expedited adjustment processes.

Additionally, Customs Self Assessment importers will continue to benefit from:

- Expedited clearance processes at the border, supporting just-in-time delivery;
- Dedicated Free and Secure Lanes at designated ports of entry;
- Reduced examinations at the border; and,
- Dedicated Customs Self Assessment account representatives.

Regulations

Q: What regulatory changes has CARM required?

As per the Canada Gazette, Part II, the Government of Canada has published amendments to nine existing regulations under the *Customs Act*, three existing regulations under the *Customs Tariff*, and introduced one new regulation to enable CARM:

- The new *Financial Security (Electronic Means) Regulations* is intended to facilitate a financial security regime that moves away from dependence on paper bonds and allows for security deposits and security arrangements between Trade Chain Partners and surety providers to be confirmed and communicated to the CBSA by electronic means.
- Regulatory amendments to enable electronic communication and payment are intended to allow Trade Chain Partners to communicate with the CBSA, and make payments, by electronic means; removing the requirement to engage with a specific CBSA representative at a specific physical location.
- Regulatory amendments to harmonize billing cycles are intended to provide more consistency between billing, accounting, and payment due dates for imported goods.

Q: How were the CARM regulatory changes developed and who was consulted?

On November 26, 2022, the CARM regulatory package was pre-published in the *Canada Gazette*, Part I for a 45 day consultation period. During the consultation period, the public had the opportunity to view and submit comments on the proposed regulations. No substantive changes were made to the pre-published regulations as a result of the comments received; however, the CBSA continues to address comments and questions received through the CARM and Trade Chain Partner Working Groups as well as CARM social media channels and email distribution lists.

On March 13, 2024, the CARM regulatory package was published in the *Canada Gazette*, Part II.

Q: When will CARM regulations come into force?

Both the changes to existing regulations and the new financial security regulations will come into force at 3:00 AM ET on May 13, 2024.

The Future of CARM

Q: Will there be more releases of CARM?

Funds have been set aside for the maintenance and enhancement of CARM. Additional CARM releases and improvements will be implemented on an ongoing basis beyond May 2024. These releases will be aimed at improving CARM functionalities and processes for the benefit of the CBSA, Other Government Departments, and industry. So as to strike a balance between being responsive to an ever evolving environment, while also respecting the impacts that changes can have on Trade Chain Partners, the CBSA does not plan on implementing major releases more frequently than twice per year.

Q: What new functionalities will new CARM releases bring?

Through Trade Chain Partner Working Groups, feedback received from the CARM Experience Simulation, and input provided by CBSA subject matter experts, a number of future CARM functionalities have been identified. These include enhancements to improve ease of use of the CARM Client Portal, the introduction of additional features for the delegation of authority, augmented automation and data integration, and expanded reporting capabilities.

Prior to any major release, the CBSA will engage with Trade Chain Partners on potential code changes or system integration changes which

will result in updates to the Electronic Commerce Client Requirements Document. Releases will be required to pass through multiple testing cycles. Testing plans, which establish the testing approach and acceptance criteria for each release, will be developed in consultations with Trade Chain Partners.



Canada Border
Services Agency

Agence des services
frontaliers du Canada



Release 2
CARM Experience Simulation 2.0
Debrief

March 20, 2024

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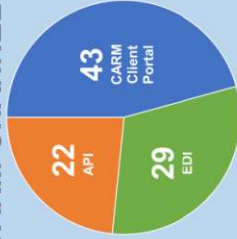
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1. CES Overview
2. CES 2.0 Support & System Metrics
3. Service Level Requirements Performance Results
4. Key Observations
5. Recommendations for Future Simulations



CES Overview

TCP PARTICIPATION BY CARM CHANNEL



ENGAGEMENT SESSIONS

- 2 GENERAL INFORMATION SESSIONS
- 5 KICK-OFF SESSIONS
- 30 TCP TOUCHPOINTS
- 28 MODEL CBSA TOUCHPOINTS

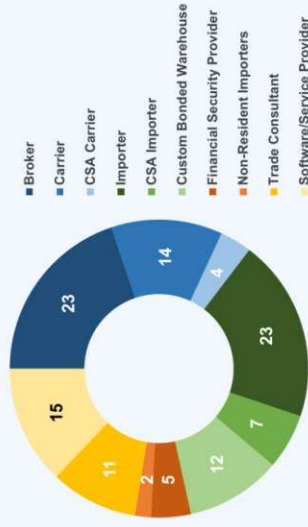


CARM EXPERIENCE SIMULATION PARTICIPANTS



- 41 CES PROJECT SUPPORT
- 143 MODEL CBSA
- 44 TRADE CHAIN PARTNERS

TCP PARTICIPANT BREAKDOWN*



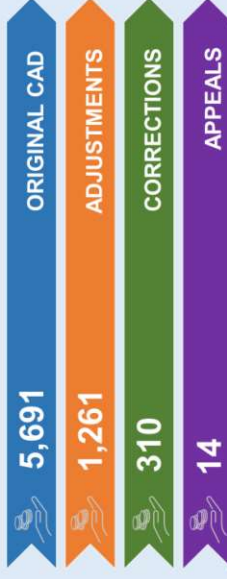
CES Timelines

(November 8, 2023 to March 1, 2024)

- Total Duration
- Sprint 1 (Model CBSA and TCPs)
- Sprint 0 (Model CBSA)
- Break/Closeout



CAD SUBMISSION BREAKDOWN*



EDUCATION

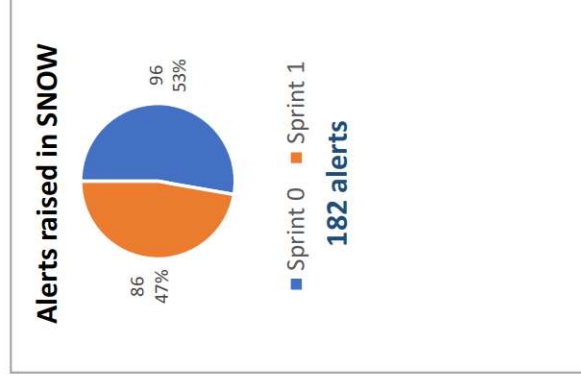
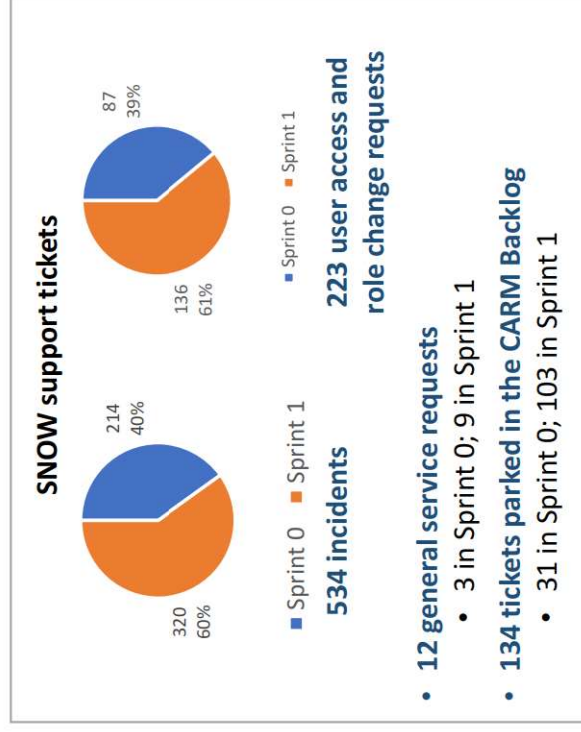
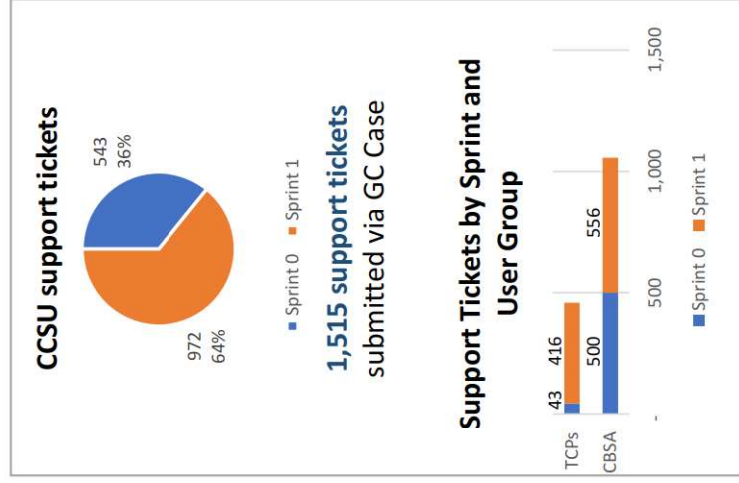
- 129 TCP SCENARIOS CREATED
- 135 INTERNAL USER GUIDE ENHANCEMENT REQUESTS
- 40 NEW USER GUIDE REQUESTS
- 8 EXTERNAL USER GUIDE ENHANCEMENT REQUESTS

*Notes: 1. Some CES participants represented multiple roles (e.g. broker and importer) 2. Some participant groups were represented by brokers (e.g. broker conducting transactions on behalf of a client) 3. CADs included submissions associated with EDI Certification/API Onboarding



CES 2.0 Support Metrics

~60% of CCSU support tickets required support from Managed Services and Solution Delivery. In addition, Managed Services and Solution Delivery have responded to alerts detected by SAP Solution Manager, a system diagnostic tool that monitors interfaces, server capacity, batch job and application errors.



1,085 SNOW tickets in total

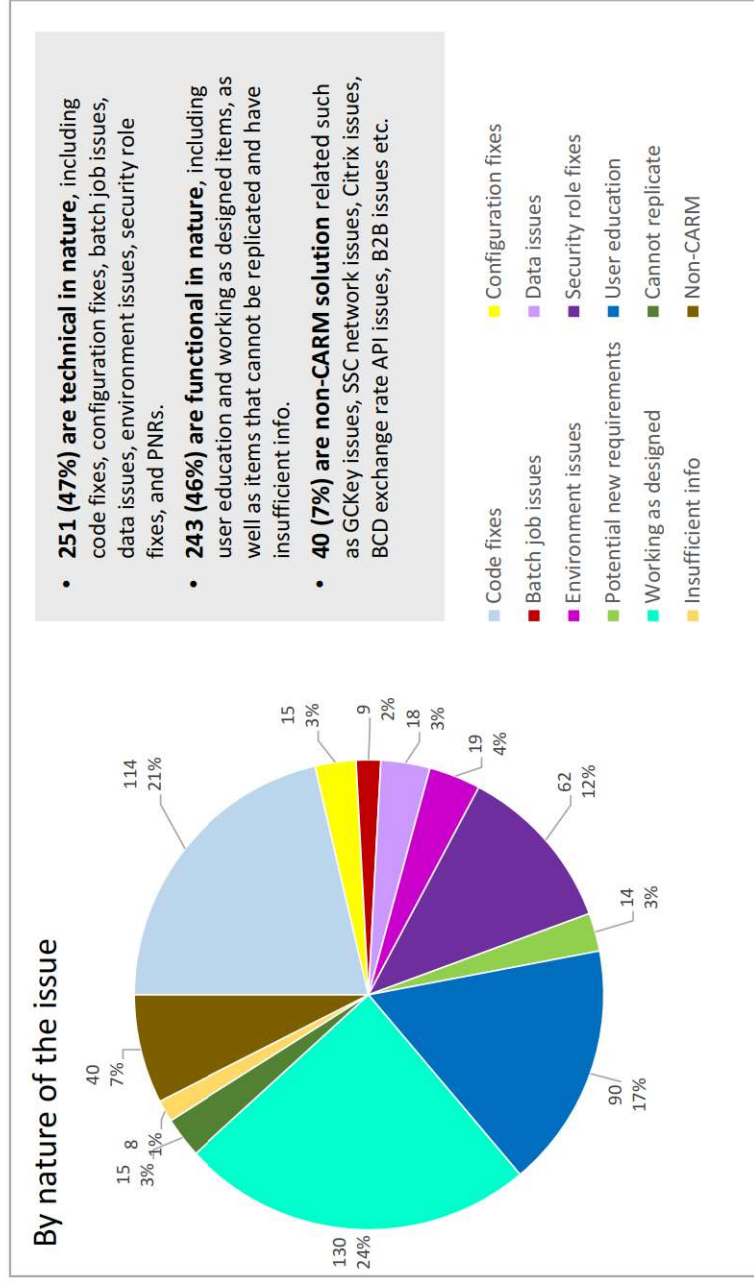
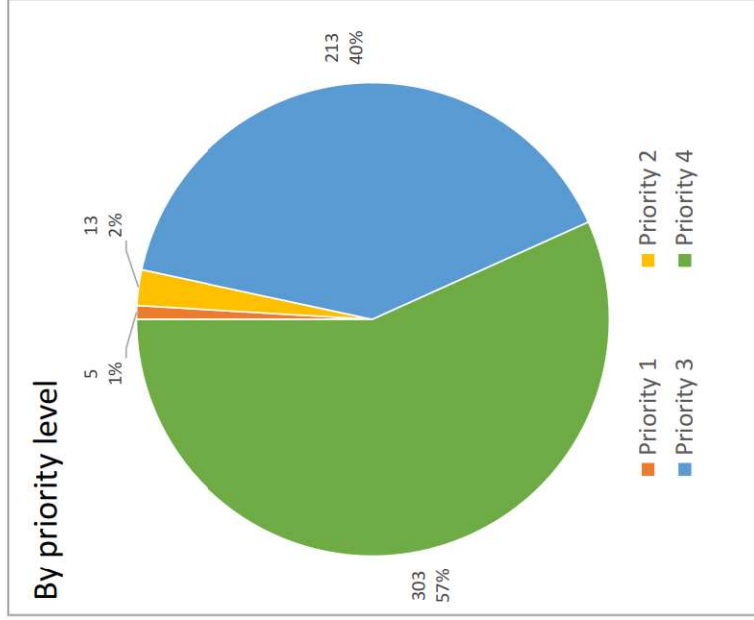
Notes

- Sprint 0 was executed from November 8, 2023 to December 15, 2023. The number of tickets accounted for in Sprint 0 also included tickets raised during the holiday slowdown period from December 16, 2023 to January 7, 2024.
- Sprint 1 was executed from January 8, 2024 to March 1, 2024.



CES 2.0 SNOW Incidents Overview

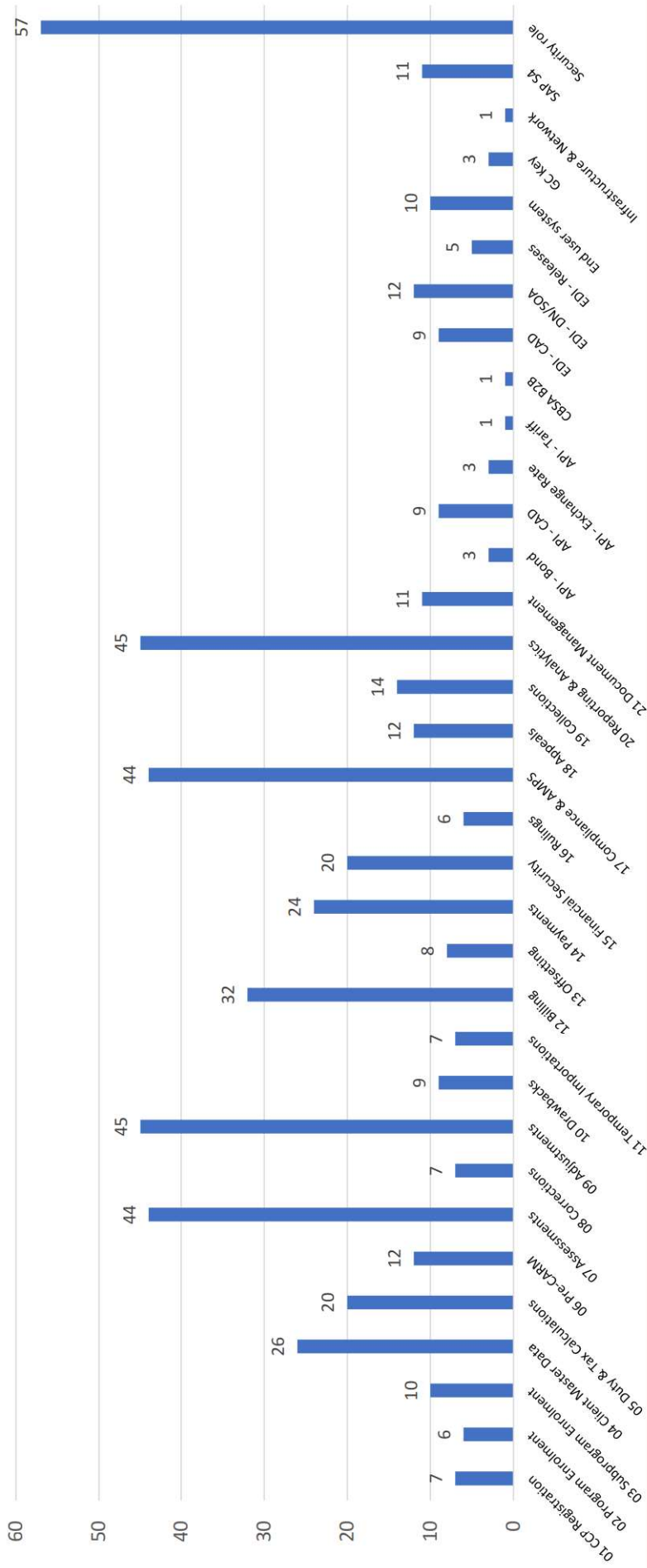
534 incidents classified by priority and nature of the issue:





CES 2.0 SNOW Incidents Overview

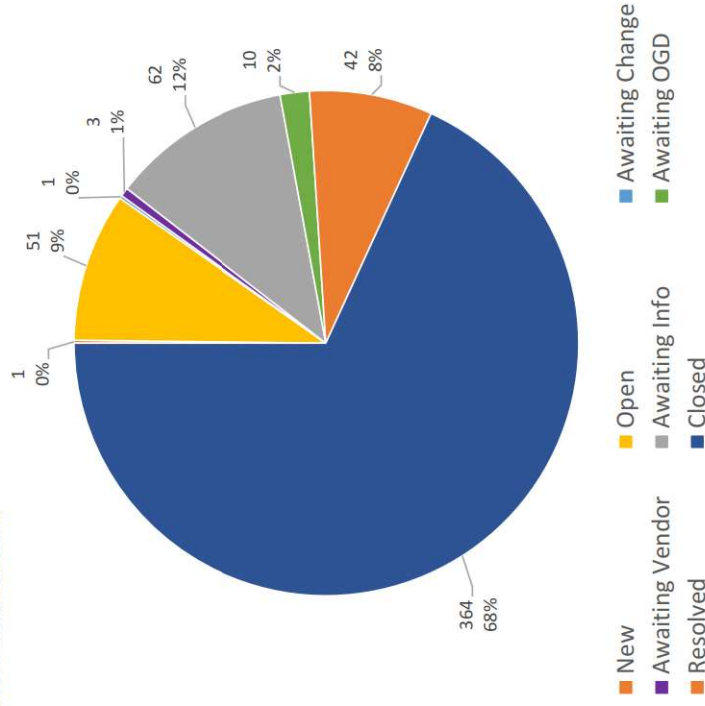
534 incidents classified by functional area or by application:





CES 2.0 SNOW Incidents Overview

Status of the 534 incidents:



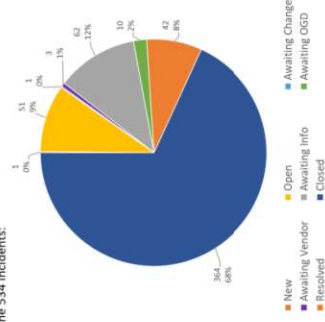
Status	P1	P2	P3	P4	Total
New				1	1
Open		2	15	34	51
Awaiting Change				1	1
Awaiting Vendor			1	2	3
Awaiting Info			10	52	62
Awaiting OGD		1	4	5	10
Resolved ¹			11	31	42
Closed	5	10	172	177	364
Grand Total	5	13	213	303	534

1. Tickets in "Resolved" status are monitored for 5 business days, after which the status moves to "Closed" if no further issues have been observed/reported.



CES 2.0 SNOW Incidents Overview

Status of the 534 incidents:



Status	P1	P2	P3	P4	Total
New				1	1
Open		2	15	34	51
Awaiting Change				1	1
Awaiting Vendor				2	2
Awaiting Info			10	52	62
Awaiting OGD		1	4	5	10
Resolved ¹			11	31	42
Closed	5	10	172	177	364
Grand Total	5	13	213	303	534

¹ Tickets in "Resolved" status will be monitored for 2 business days, which will be flipped to "Closed" if no further issues have been observed.

• 52 "New" and "Open" tickets

- 5 items have been prioritized for resolution prior to R2 go-live (3 P2s, 2 P4s)
 - \$0.00 self-declare and CAD recalculation scenario
 - Internal admin accounts (Awaiting OGD)
- 39 items have been deferred to post R2 go-live (12 P3s, 27 P4s)
 - 22 defects, 14 role issues, 2 env issues, 1 pending OpenText upgrade
 - These items will be tracked for resolution on the Quality Dashboard
- 5 items have been proposed for the CARM Backlog (2 P3s, 3 P4s)
 - 1 user education item, 1 working as designed item, 1 pending further discussion with CBSA IT to upgrade Enterprise Connect
- **1 Awaiting Change** – defect on a conversion object has been resolved for Mock 6
- **3 Awaiting Vendor** – 1 pending Avalara/3CE, 2 pending SAP

Incidents to be addressed before R2 Go-Live

Incident Number	Incident Description	Resolution Plan
CS0015769 (P2) CS0015601 (P4) CS0015633 (P4)	TCPs cannot self-declare an amount of \$0.00.	Proposed solution has been reviewed with TAPD. Approval has been provided to proceed with implementing the proposed fix. Functionality expected to be implemented before R2 go-live.
CS0016355 (P2)	Incorrect duty and tax calculations due to exchange rate API outage.	As the number of transactions impacted was low in CES, TAPD was able to perform adjustments manually to trigger recalculations. To have the ability to trigger re-calculations in the production environment at a larger scale, TAPD requires the new functionality to perform mass adjustments and re-calculations. Proof of concept was provided to CBSA. Functionality expected to be implemented before R2 go-live.
CS0016172 (P2)	CBSA internal admin accounts are not setup like a regular importer and cannot be used to submit C type CADs in the event a first-time importer shows up at the border with no BN9.	Approach has been discussed with the OPI and is expected to be resolved through the R2 remodel as part of R2 go-live.



CES Service Level Requirements Performance Results

CARM Service Level Requirements Performance Results		Performance				
SLR Reference	Service Level Requirements	Performance Target	November	January	February	
SLR 1.4-1	Application Performance Response Time	98% of Performance Service Class 1 transactions complete within 2.0 seconds. 90% of Performance Service Class 1 transactions complete within 0.5 seconds	FAL	FAL	FAL	
SLR 1.4-2	Application Availability	Each application or interface Unplanned Downtime: < 1 hours for any single event per month, and Each application or interface Unplanned Downtime: < 3 hours total Unplanned downtime per month.	PASS	PASS	PASS	
SLR 1.4-4a	Incident Response Time. Applies to both infrastructure incidents and application incidents)	Severity 1: 15 min. (Penalty Applies Only to Sev 1 and Sev 2 incidents) Severity 2: 15 min. (Penalty Applies Only to Sev 1 and Sev 2 incidents)	PASS	PASS	PASS	
SLR 1.4-4b	Incident Response Time.	Severity 3: 60 min. Severity 4: 60 min.	PASS	PASS	PASS	
SLR 1.4-5a	Incident Resolution Time.	Severity 1 outage: 2 hours. Severity 2 outage: 4 hours.	PASS	FAL	FAL	
SLR 1.4-5b	Applies to both infrastructure Incident Resolution Time. Applies to both infrastructure incidents and application incidents	Severity 3 outage: 3 business days Note: In the event that only one instance is outside the performance target across all severities in a given month, it will not be deemed an SLR Failure.	PASS	PASS	PASS	
SLR 1.5-1	Incidents caused by Changes	% of Incidents that are caused by Changes.	PASS	PASS	PASS	
SLR 1.5-2	Changes Backed Out	% of Changes that are backed out of production.	PASS	PASS	PASS	

- SLR 1.4-1 Application Performance Response Time** is showing "Fail" because the number of executions of the class 1 transactions in the CES environment was significantly lower than Production, which led to an overall higher than average response time.
- SLR 1.4-5a Incident Resolution Time for P1 and P2** is showing "Fail" due to:
 - 2 P2s in January
 - 1 P2 in February
- SLR 1.4-5b Incident Resolution Time for P3** For the P3 incidents that are still open in February, in Production, this would have resulted in a "Fail" for March when the incidents were resolved. They would not have affected the result for February based on the definitions.



Key Observations

CES 2.0 incorporated the lessons learned from CES 1.0 to provide an improved experience for all parties involved.

Key successes:

- Highly engaged participants.
- Significant improvement in the fulsome-ness of CBSA reference data in the environment.
- Program area ownership of activities and CBSA management engaged to deliver key messages to TCPs.
- The majority of service levels were achieved, including application availability, incident response time and incident resolution time for severity 3.
- Creation of CES 2.0 scenarios provided an opportunity for CBSA users to become familiar with the system and provided additional structure to the simulation for TCPs.
- A diverse group of internal users came together and developed a strong sense of community.

Key challenges:

- Participating software/service providers were not certified before starting CES resulting in a lack of readiness.
- System changes were not communicated to users in advance, resulting in confusion and additional support requests.
- CES 2.0 and R2 Readiness running in parallel caused TCP confusion in regards to support channels/processes.
- Not all business processes could be simulated due to environment limitations.
- Lack of communication regarding known enhancements.
- The average time between the submission of a CESH case and the escalation of an incident to Deloitte was 3.08 days during Sprint 0 and 3.61 days during Sprint 1
- The complexity of some P2 incidents required additional time to investigate and resolve, resulting in incident resolution time for P2s not being met in January and February.
- Lack of service level standards for incidents requiring OGD investigation and/or resolution.
- Enhancements or new functionality were being raised as incidents and misclassified as creating a complete and immediate work stoppage.



Recommendations for Future Simulations

- Timelines should reflect the scope of change, impact of the change and level of participant experience.
- Invest time in advance to train participants, align on the approach and ensure roles and responsibilities are well understood.
- Allocate sufficient time to complete wrap-up activities following the end of a simulation (gradual wind down vs. immediate stop) and continue to engage with participants during this phase.
- Take a structured approach to assist participants in their activities while also providing flexibility for users to explore the system.
- Leverage simulations to gain user insights into early design thinking.
- The simulation environment should reflect production as closely as possible.
- Ensure participants reflect the full range of impacted stakeholders.
- Embed a dedicated liaison from each branch in the core project team to ensure alignment between HQ and regions.
- Have program area representatives lead TCP discussions to provide guidance and obtain first hand feedback from users.
- Establish forums (e.g., MS Teams chats, regular virtual touchpoints) to foster collaboration and provide an opportunity to learn from each other.
- Inform participants of upcoming system changes to reduce confusion.
- Determine statistical reporting requirements in advance to ensure that reporting/ticketing systems are configured to provide meaningful insight into simulation activities.

CARM Incident Priority Definitions

Incident Priority Level	Definition
Priority 1 (Critical)	<ul style="list-style-type: none"> • A complete and immediate work stoppage affecting a CARM primary business process or inability to access the CARM Portal; or • A complete and immediate work stoppage affecting a broad group of users such as all internal CBSA users, an entire line of business, or two or more external partners
Priority 2 (High)	<ul style="list-style-type: none"> • A severe degradation affecting a CARM primary business process or the CARM Portal; or • A complete and immediate work stoppage affecting a key partner; or • A complete and immediate work stoppage affecting a non-critical CARM business process; or • Erroneous data within an identified CARM critical business process; or • A security violation where there is a work-around which is not sustainable.
Priority 3 (Medium)	<ul style="list-style-type: none"> • System and/or service degradation affecting certain functions of a CARM primary business process, where a work-around is available; or • System and/or service degradation affecting a key partner, where a work-around is available; or • A complete and immediate work stoppage affecting one or more functions of a non-critical CARM business process; or • Erroneous data within a CARM non-critical business process; or • A planned outage extending outside previously negotiated support hours with confirmed nil impact to end users; or • Failure of an infrastructure component which is not affecting service availability, but is temporarily eliminating redundancy and failover capabilities.
Priority 4 (Low)	<ul style="list-style-type: none"> • System unavailable and/or service degradation affecting a single CARM end user; or • Peripheral problems affecting a CARM user group, where a work-around is available; or • Network connection failover to backup connection without any degradation in performance at a site(s).