



# Customs Bond Checklist

## *(Release Prior to Payment Privilege Program)*

Changes will soon be implemented by the Canadian Border Services Agency (CBSA) as it pertains to the collection of duties and taxes for commercial goods imported into Canada.

The CBSA's Assessment and Revenue Management (CARM) Client Portal is a self-service tool that facilitates accounting and revenue management processes with the CBSA. The portal will enable importers, customs brokers and trade consultants to view their transactions and statements of account, classify goods and estimate duties and taxes.

CARM Release 2 will include electronic commercial accounting declarations with the ability for corrections and adjustments, as well as the requirement for importers to post security to participate in the *Release Prior to Payment (RPP) privilege program*. One of the mandatory requirements in the next phase will be for importers to provide direct financial security to clear their shipments for arrival into Canada. The options will be a Customs Bond for 50% of the highest monthly AR with a minimum floor of \$25,000 per RM; or, Cash Security for 100% of the highest monthly AR with no minimum required.

Most companies that issue surety bonds work through Insurance Brokers, also called producers; an importers' first step to obtaining a Customs/RPP bond would be to contact a Surety Broker as they specialize in surety bonding for commercial security and would be best qualified to assist with obtaining a bond. A Surety Broker's role is to guide importers through the bonding process and to assist with establishing a business relationship with a Surety company.

To find a Surety Broker, importers can access the Surety Association of Canada's on-line Surety Broker directory by visiting [www.suretycanada.com](http://www.suretycanada.com) and clicking on the link located on the Home Page titled "*Looking for a Broker*".

For reference, some of the items that may be requested from an importer to provide to a Surety Broker is listed on the next page. Note that this is not a comprehensive list and should be used as *guidance only*; as well, not all of these items may be required as Sureties will review each application on an individual basis.

For more information or any questions, contact the Surety Association of Canada by phone at (905) 677-1353 or by email at [surety@suretycanada.com](mailto:surety@suretycanada.com).

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- Provide full applicant/importer name (*must align with Canada Revenue Agency*).
- Provide full applicant/importer address (*must align with Canada Revenue Agency*).
- Provide the names and percentage (%) of ownership for the importer's owners.
- Nature of the business/occupation.
- Date business started.
- Is the importer engaged in any other lines of business and if so, which ones?
- Type of customs bond required (*note: there are 8 sub-categories available*).
- Provide audited or reviewed Financial Statements of last two (2) fiscal years along with interim statements.
- Provide the name, address and phone number of bank and contact name.
- Has the importer applying for the customs bond ever compromised with creditors, failed in business or declared bankruptcy? If so, provide details.
- Provide details of any lawsuits, judgments or liens pending against the importer.
- Has a customs bond application been applied to elsewhere; if so, was the request declined? Provide details.
- Is the importer working with a surety broker already; if so, which one?
- Does the importer already have a customs bond through a surety; if so, which one?

