

CARM Release 3

Release Prior to Payment Bonds

What are RPP Bonds?

Release Prior to Payment Bonds (RRP) are posted as security to Canada Border Services Agency. These bonds allow an importer to obtain the release of goods from the CBSA prior to paying duties and taxes, defer accounting for goods, and defer payment (including GST). Prior to CARM 3, importers who used a licensed customs broker could use their broker's RPP privileges without posting security themselves.

Why do I need one?

Once CARM Release 3 is put into effect, the RPP security posted by a licensed customs broker will no longer extend to importers who use their service. An importer must post their own security using one of the following to options to be eligible for Release Prior to Payment privileges:



A Surety Bond for 50% of their highest monthly accounts receivable, with a minimum bond amount of **\$5,000, OR**



A Cash security for 100% of their highest monthly accounts receivable.

If no security is provided, an importer will be required to pay in advance on the CARM Client Portal or to pay a CBSA cashier at the time of clearance prior to their goods being released by CBSA.



How do I determine the bond value I need to post?

The CARM 3 Release requires the bond amount to be equal to 50% of the company's highest month of duties and taxes (including GST) from the prior 12 months – minimum bond amount is \$5,000.

If you're unsure of the amount you are required to post, please confirm this with CBSA directly.

What is the cost of the bond?

The bond premium will be determined based on the bond value you require.

The premium set for this bond will be renewable and will be due each year that the bond is in effect.

How do I apply for a bond?

Please reach out to Samantha Jones at samantha.jones@axisinsurance.ca and she will provide you with the proper bond application to complete and return.

Contact

Samantha Jones

Account Executive – Surety

samantha.jones@axisinsurance.ca

Phone: 604-699-2263

