



# Memorandum D17-2-4: Preparation and Presentation of Pre-CARM Adjustments

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This memorandum outlines the policy and procedures for Trade Chain Partners (TCPs) to follow when submitting adjustments for goods which were accounted for on a Form B3-3, Canada Customs Coding Form, prior to the implementation of Release 3 of the CBSA Assessment and Revenue Management project (CARM) on October 21, 2024.

The contents of this memorandum may not conform to all accessibility requirements.

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## Updates made to this D-memo

This memorandum has been revised to reflect changes as a result of the implementation of CARM Release 3 which resulted in the replacement of Form B3-3, Canada Customs Coding Form and Form B2, Canada Customs - Adjustment Request with the Commercial Accounting Declaration (CAD). This includes guidance on how to submit adjustments and mass adjustments against Form B3s, along with instructions on how to submit Pre-CARM Blanket Requests, which replaces the previous B2 blanket process.

## Definitions

### **CARM Client Portal (CCP)**

A self-service online tool for TCPs that facilitates accounting and revenue management processes with the CBSA.

### **Commercial Accounting Declaration (CAD)**

The customs document used after CARM Release 3 to account for goods imported into Canada.

### **Electronic Data Interchange (EDI)**

A service that allows clients to electronically transmit their import or export data and payments to the CBSA.

### **Form B2, Canada Customs – Adjustment Request**

The customs document that was used to request an adjustment to an accounting declaration for commercial goods accounted for prior to CARM Release 3.

### **Form B3-3, Canada Customs Coding Form (Form B3)**

The customs document that was used to account for goods imported into Canada prior to the implementation of CARM Release 3.

### **Legislative Issue**

The legislative authority associated with the adjustment request (e.g., 74(1) (c.1) or 32.2(2) of the [Customs Act](#)).

### **Mass Adjustment**

An adjustment to two or more commercial accounting declarations (CADs) for the same legislative issue and up to 3 reasons. All reason codes selected must fall under the same issue and apply to all goods within the mass adjustment. The exception to this is a request to change a tariff classification that may require a change in tariff treatment or country of origin, and two issues are involved.

### **Pre-CARM “As Declared” CAD**

A CAD that is created in the CARM system for goods that were accounted for on a Form B3 prior to the implementation of CARM Release 3. It replicates the accounting information found on the Form B3, and any subsequent adjustments, and must be created before an adjustment can be submitted in CARM.

### **Pre-CARM Blanket**

An adjustment process that facilitates the processing of 100 or more Form B3 lines within a 12 month period, without requiring that an individual Pre-CARM “As Declared” CAD be created and adjusted for each transaction.

### **Pre-CARM Blanket Request**

A request submitted via a mass adjustment case in the CCP by a Trade Chain Partner (TCP) for a pre-CARM blanket, consisting of a Pre-CARM Blanket Request Form and a workbook containing the accounting data originally submitted on the B3 Forms, and the requested changes.

### **Reason**

The description of the circumstances for which an adjustment is being requested (e.g., change of origin, tariff classification, value for duty).

### **Reason Code**

The code submitted in CARM when making a change to an accounting declaration that corresponds to the applicable legislative issue and reason for the request (e.g. R2-74-1-E.TC).

### **Statement of Adjustment (SOAdj)**

The statement that is issued after an adjustment request has been approved, which provides information on previous and adjusted transactional details, the change in total duties and/or taxes assessed (if applicable), the legislative authority supporting the change, and appeal rights.

### **Trade Chain Partner (TCP)**

For the purposes of this memorandum, the entity who is submitting the adjustment request, which may include the importer or their authorized representative.

### **Type F “As Declared” CAD**

For the purposes of this Memorandum, the type of CAD created by the CBSA to facilitate the processing of a pre-CARM blanket, which reflects the amount of duties and taxes accounted from the B3 transaction lines in the Pre-CARM Blanket Request. It does not post any amounts of duties and taxes owing to the TCP’s account when created.

### **Web Service (API)**

An application programming interface that facilitates the accounting and revenue management processes with the CBSA.

## **Guidelines**

1. This memorandum is to be used as a guide by those preparing and submitting adjustments for goods, which have been accounted for on a Form B3, prior to the implementation of CARM Release 3.
2. An adjustment may be prepared and submitted by an importer or an authorized representative, such as a customs broker or third party consultant, to which the importer has delegated authority. For more information on delegated authority refer to [Memorandum D1-6-1, Authority to Act as Agent](#).
3. This memorandum cannot be used for goods accounted for after the implementation of CARM Release 3 on a Commercial Accounting Declaration (CAD). For information on how to submit a CAD adjustment, refer to [Memorandum D17-2-1, Adjusting Commercial Accounting Declarations](#).
4. It does not include information on how to submit a business number change or withdraw request. Information on how to request a business number change or

withdraw a CAD can be found in [Memorandum D17-2-3, Business Number Changes and Commercial Accounting Declaration Withdraw Requests](#).

5. For reasons why a TCP may submit an adjustment, refer to [Memorandum D17-2-1](#).

## **Creating an As Declared CAD**

6. When goods have been accounted for prior to the implementation of CARM Release 3 using a Form B3, a Pre-CARM “As Declared” CAD must be created before an adjustment can be made. The “As Declared” CAD must reflect the values declared on the B3 and any subsequent adjustments that were made.

7. To create a Pre-CARM “As Declared” CAD, the TCP can obtain the accounting information declared on a B3 accounting document by submitting a:

- a) Request to the [CARM Client Support Help Desk](#);
- b) Request via the CARM Client Portal (CCP) by navigating to the *Create Declaration* page and selecting *Convert B3 to CAD*; or,
- c) Query via the Web Service (API).

8. When the accounting information is returned to the TCP, they are required to verify that it is correct and fill in any missing information to meet the submission requirements of the CAD. This includes amending the information to reflect any adjustments that may not have been reflected on the Form B3, such as adjustments made by a previous B2 Blanket Adjustment or Drawback.

9. As per section 7.1 of the [Customs Act](#), TCPs are required to provide information that is true, accurate and complete. If it is discovered by the CBSA that the TCP has submitted information on a Pre-CARM “As Declared” CAD that is false or inaccurate, the TCP may be subject to penalties and compliance activities.

10. The Pre-CARM “As Declared” CAD will be validated and processed the same as a standard CAD. While the CAD will be posted to the importer’s account, it will not trigger any financial postings against the importer’s business number and the values reflected will not be owed.

## **Adjusting a Pre-CARM “As Declared” CAD**

11. Once a Pre-CARM “As Declared” CAD has been created, the TCP can submit an adjustment or a mass adjustment using the CARM Client Portal (CCP), Electronic Data Interchange (EDI) or Web Service (API). For more information on how to submit an adjustment or mass adjustment, refer to [Memorandum D17-2-1](#).

## **Pre-CARM CLVS Adjustments**

12. When an adjustment is required for goods that have been accounted for using a consolidated Form B3 Type F, the TCP must create a Pre-CARM "As Declared" CAD for each shipment that requires an adjustment. The TCP must use the unique shipment number as the transaction number on the Pre-CARM "As Declared" CAD, and enter the consolidated Form B3 Type F transaction number in the Previous Transaction Number field. The TCP is to complete the accounting declaration using the correct classification code and values.

13. Once the Pre-CARM "As Declared" CAD has been created, the TCP can submit an adjustment or a mass adjustment using the CCP, EDI, or API.

### **Pre-CARM Blankets**

14. The CBSA encourages TCPs to create Pre-CARM "As Declared" CADs, and submit adjustments using the CARM single and mass adjustments processes outlined in [Memorandum D17-2-1](#).

15. When an adjustment is required for 100 or more Form B3 transaction lines within a 12-month period and no Pre-CARM "As Declared" CAD has been created for any of those Form B3 transactions, the CBSA will allow the submission of Pre-CARM Blanket Request.

16. All lines within the Pre-CARM Blanket Request must be for the same legislative issue and up to 3 reasons. All reason codes must fall under the same issue and apply to all goods within the blanket. The exception to this is a request to change a tariff classification, as this may also require a change in tariff treatment or country of origin, thereby requiring an adjustment under 2 legislative issues.

17. Adjustment requests related to issues under the Special Import Measures Act (SIMA) cannot be combined with other legislative issues on a Pre-CARM Blanket Request. For more information on how to request a redetermination of SIMA, see [Memorandum D14-1-3, Re-determinations and Appeals Under the Special Import Measures Act](#).

18. A Pre-CARM Blanket Request cannot be submitted for:

- a) Classifications subject to Tariff Rate Quotas;
- b) Cases where licenses are applicable;
- c) Overages (which are reported on a Type V CAD);
- d) Requests for further re-determination (sections 60 or 61 of the [Customs Act](#));
- e) Appeals (sections 67 and 68 of the Customs Act); or
- f) Requests relating to accounting documents where the time limit for appeal, refund or diversion has expired.

19. Before submitting a Pre-CARM Blanket Request, the TCP must ensure that no Pre-CARM "As Declared" CAD has been submitted in CARM for any transaction contained

in the blanket, and that all transactions are within their legislative time limits for submitting an adjustment. Failure to do so, will result in the rejection of the request by the CBSA.

## Submitting a Pre-CARM Blanket Request

20. Pre-CARM Blanket Requests can only be submitted using the CCP. Requests cannot be submitted using EDI or API, by mail or via email to the CBSA.

21. To submit a request, the TCP must start by generating a mass adjustment case number in the CCP. To do so, the TCP will navigate to the 'Declarations' tab, select 'List of submitted declarations', followed by 'Generate a mass adjustment case number for EDI or API submission'.

22. Once generated, the unique case number will appear in the 'Mass Adjustments' tab where the TCP must select "submit" on the corresponding case number. Once submitted, the TCP will have the option to upload documents to the case.

23. To submit a Pre-CARM Blanket Request, the TCP must upload:

- a) a Pre-CARM Blanket Request Form (*link to provided a later date*); and,
- b) an electronic workbook with a worksheet containing all the accounting data originally submitted on the B3 lines and the requested changes (see Appendix A for an example worksheet)

24. The completed form must be clearly labelled as a Pre-CARM Blanket Request Form and include the importer's name and the mass adjustment case number (e.g. Pre-CARM Blanket Request Form, ABC Company, 000005123456789).

25. The completed workbook must be clearly labelled as a pre-CARM blanket workbook and include the importer's name and the mass adjustment case number (e.g. Pre-CARM Blanket Workbook, ABC Company, 000005123456789).

26. The worksheet within the workbook must be prepared in chronological order according to the accounting date.

27. A worksheet template can be requested by sending an email to [CBSA-ASFC Assessment and Licensing Unit@cbsa-asfc.gc.ca](mailto:CBSA-ASFC.Assessment.and.Licensing.Unit@cbsa-asfc.gc.ca).

28. Amounts of GST cannot be offset in the worksheet. When adjustments result in both GST owing and GST payable, the adjustments must be separated into different worksheets within the workbook for amounts of GST owing to the importer and amounts of GST payable to the CBSA.

29. The date that the Pre-CARM Blanket Request is submitted via the CCP will be considered the filing date and an importer's legislative time limits will be protected.

Applications which are incomplete or contain ineligible transactions will be rejected by the CBSA and time limits will not be protected.

30. The date that the Pre-CARM Blanket Request is submitted to the CBSA will also be considered the filing date for the purposes of meeting the 90-day legislative timeframe under section 32.2 of the Customs Act. Should the workbook not be accepted, the 90-day timeframe will resume from the date of the rejection. For more information regarding “reason to believe” and the obligation to self-adjust please refer to [Memorandum D11-6-6, “Reason to Believe” and Self-adjustments to Declarations of Origin, Tariff Classification, and Value for Duty.](#)

31. Payments for amounts owing on pre-CARM blankets under section 32.2 of the [Customs Act](#), cannot be made until the CBSA has processed the request and posted the Type F “As Declared” CAD.

### **Processing of Pre-CARM Blanket Requests**

32. Upon receipt of a Pre-CARM Blanket Request, the CBSA will review to ensure the request is valid and complete.

33. TCPs must have supporting documentation readily available for all transactions that are being adjusted within the blanket and be able to provide supporting documentation upon request by the CBSA. Supporting documentation will be requested from the TCP through the CCP.

34. Failure to provide requested documentation within the CBSA’s required timeframes may result in rejection of the request, and time limits will no longer be protected.

35. The CBSA will render a decision on the entire Pre-CARM Blanket Request and issue a Statement of Adjustment (SOAdj).

36. To facilitate the posting of the pre-CARM blanket, the CBSA will create a Type F “As Declared” CAD consolidating the “as accounted for” information for all B3 lines within the workbook, and then process an adjustment against this, based on the “as adjusted” information in the workbook. A SOAdj will be generated and reference the unique mass adjustment case number. Any duties and taxes that are to be refunded to the TCP, or that are owed to the CBSA, as a result of the decision, will be posted to the TCP’s account.

37. Interest owed to the TCP, or owed by the TCP to the CBSA, will be shown on the SOAdj; however, the corresponding credit or debit will be posted to the TCP’s account as a Form K23, Miscellaneous Invoice, referencing the corresponding Type F “As Declared” CAD Transaction Number.

38. Where amounts are owed to the CBSA, the payment due date for both the adjustment (Type F “As Declared” CAD) and interest (Form K23) will be based on the

posting date of these items and will follow the standard billing period. For more information on payments and the billing period, refer to [Memorandum D17-5-1, Payment of duties and taxes on imported commercial goods](#).

39. When calculating interest, the median date will be considered as the date that the interest begins. The median date equals the date between the first and last transaction within the respective year. When the number of days in a period is an even number, the date immediately after the median date will be used.

40. The approved adjustments within the pre-CARM blanket will not be reflected at the individual transaction level in CARM.

41. Should a TCP need to submit a subsequent adjustment against one of these transactions, they will need to create a Pre-CARM "As Declared" CAD and they will be responsible for capturing any changes from the pre-CARM blanket.

42. Subsequent adjustments by the TCP are not permitted against the Type F "As Declared" CAD that is generated for the pre-CARM blanket.

43. If a TCP wishes to appeal the pre-CARM blanket, the TCP can appeal the SOAdj through the standard Appeals process, as per [Memorandum D11-6-7, Requests under section 60 of the Customs Act for a Re-determination, Further re-determination or a Review by the President of the Canada Border Services Agency](#). As interest is included in the SOAdj, the TCP does not need to appeal the Form K23 posting separately.

## **Appendix A – Pre-CARM Blanket Request Worksheet Template**

All Pre-CARM Blanket Requests must include an electronic workbook containing the accounting data originally submitted on the B3 lines and the requested changes.

An example of how to prepare a worksheet within the workbook is below. Note that this example contains all fields that may require adjustment. Fields which are mandatory are those which are adjusted and those that are required to calculate the adjusted duties and taxes owing.

A worksheet template can be requested by sending an email to [CBSA-ASFC Assessment and Licensing Unit@cbsa-asfc.gc.ca](mailto:CBSA-ASFC.Assessment.and.Licensing.Unit@cbsa-asfc.gc.ca).



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
1 Company Name / Nom de l'entreprise: ABC Jewelry Inc. / Bijouterie ABC Inc.																							
2 Reason for Adjustment / Raison pour le rajustement: Incorrect tariff classification at the time of importation / Classement tarifaire incorrect au moment de l'importation																							
3 Business Number / Numéro d'entreprise: 1234567890RM001																							
4 Mass Adjustment Case Number / Numéro de cas de rajustement de masse: 000005123456789																							
5 As Accounted For / Tel que déclaré																							
6	83	83																					
	Transaction Number / Numéro de transaction	Date of accounting / Date de la déclaration en détail	Office / Bureau	Sub Hdr No. / N° sous-entête	Country of Origin / Pays d'origine	Country of Export / Pays d'exportation	Tariff Treatment / Traitement tarifaire	Direct Shipment Date / Date d'expédition directe	Currency Code / Code de devises	Vendor / Vendeur	Line No. / N° de la ligne	Description / Description	Classification Number / N° de classification	Quantity / Quantité	Unit of Measure / Unité de mesure	Value for Duty Code / Code de valeur en douane	Custom Duty Rate / Taux de droit	Rate of GST / Taux de TPS	Value for Currency Conversion / Valeur pour change	Value for Duty / Valeur en douane	Customs Duties / Droits de douanes	Value for Tax / Valeur taxable	GST / TPS
7	82602000042394	2015-01-20	495	1	JP	JP	2	2015-01-09	CAD	XYZ Inc.	2	Jewellery	7113111000	150	KGM	13	5	5	100,000.00	100,000.00	5,000.00	105,000.00	5,250.00
8	82602000042403	2015-01-21	495	1	JP	JP	2	2015-01-09	CAD	XYZ Inc.	1	Jewellery	7113111000	100	KGM	13	5	5	75,000.00	75,000.00	3,500.00	78,500.00	3,925.00
9	82602000042442	2015-01-22	495	1	JP	JP	2	2015-01-09	CAD	XYZ Inc.	3	Jewellery	7113111000	200	KGM	13	5	5	200,000.00	200,000.00	10,000.00	210,000.00	10,500.00
10																							
11																							
12																							
13	Total : 3 Entries																		375,000.00	375,000.00	18,500.00	393,500.00	19,675.00
X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS		

As Claimed / Tel que demandé																					
Sub Header No. / N° de sous-entête	Country of Origin / Pays d'origine	Country of Export / Pays d'exportation	Tariff Treatment / Traitement tarifaire	Direct Shipment Date / Date d'expédition directe	Currency Code / Code de devises	Line No/ Split line indicator / N° de ligne/indicateur de ligne divisée	Description / Description	Classification / Classification	Quantity / Quantité	Unit of Measure / Unité de mesure	Value for Duty Code / Code de valeur en douane	SIMA Code / Code LMSI	Rate of Duty / Taux de droit	Rate of GST / Taux de TPS	Value for Currency Conversion / Valeur pour change	Value for Duty / Valeur en douane	Duty / Droits	Value for Tax / Valeur taxable	GST / TPS	GST Due to Receiver General Or Client / TPS redevable au Receveur général ou au client	Duty Due to Receiver General Or Client / Droits redevables au Receveur général ou au client
1	JP	JP	2	2015-01-09	CAD	2	Jewellery	7113119000	150	KGM	13		8.5	5	100,000.00	100,000.00	8,500.00	108,500.00	5,425.00	175.00	3,500.00
1	JP	JP	2	2015-01-09	CAD	1	Jewellery	7113199000	100	KGM	13		8.5	5	75,000.00	75,000.00	6,375.00	81,375.00	4,068.75	143.75	2,875.00
1	JP	JP	2	2015-01-09	CAD	3/3	Jewellery	7113111000	100	KGM	13		5	5	100,000.00	100,000.00	5,000.00	105,000.00	5,250.00	-5,250.00	-5,000.00
NS1	CN	JP	2	2015-01-09	CAD	3/NL4	Jewellery	7113209000	100	KGM	13		8.5	5	100,000.00	100,000.00	8,500.00	108,500.00	5,425.00	5,425.00	8,500.00
															375,000.00	375,000.00	28,375.00	403,375.00	20,168.75	493.75	9,825.00

## References

### Applicable legislation

[Customs Act](#)

[Refund of Duties Regulations](#)

### Related Documents

[Memorandum D1-6-1, Authority to Act as Agent](#)

[Memorandum D11-6-6, "Reason to Believe" and Self-Adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#)

[Memorandum D11-6-7, Request under Section 60 of the Customs Act for a Re-determination, a further Re-determination or a Review by the President of the Canada Border Services Agency](#)

[Memorandum D14-1-3, Re-determinations and Appeals Under the Special Import Measures Act](#)

[Memorandum D17-2-1, Adjusting Commercial Accounting Declarations](#)

[Memorandum D17-2-3, Business Number Changes and Commercial Accounting Declaration Withdraw Requests](#)

[Memorandum D17-5-1, Payment of duties and taxes on imported commercial goods](#)

## **Superseded D memorandum**

D17-2-4, Preparation and Presentation of Blanket B2 Adjustment Requests, dated January 26, 2017

## **Issuing office**

Regulatory Trade Programs Division  
Trade and Anti-Dumping Programs Directorate  
Commercial and Trade Branch

## **Contact us**

For more information, contact the [CBSA Border Information Service](#) (BIS):

Calls within Canada & the United States (toll free): **1-800-461-9999**

Calls outside Canada & the United States (long distance charges apply):

1-204-983-3550 or 1-506-636-5064

TTY: **1-866-335-3237**

[Contact Us online](#) (web form)

[Contact Us](#) on the CBSA website

## **Related Links**

[CARM Client Portal](#)

[CARM Client Support](#)