

Mandatory Electronic Reporting for Exporters & Marine Carriers

(For Information and Discussion)

Border Commercial Consultative Committee (BCCC)
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Ottawa, Ontario



PURPOSE

- To announce the CBSA's decision to mandate electronic export reporting for exporters and marine carriers
- To request assistance from industry to communicate this new requirement to clients

BACKGROUND

The mandate of the Export Program includes:

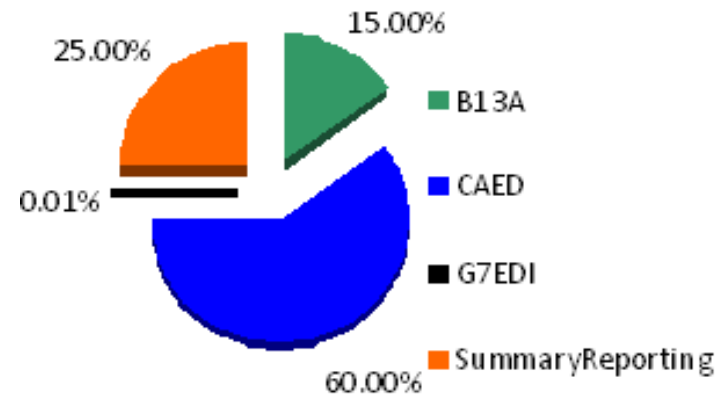
- Controlling the export of strategic and dangerous goods, and all goods otherwise controlled or regulated
- In support of Bill S9 targeting and detaining property obtained by crime, primarily stolen vehicles
- Collecting accurate statistical information on Canadian exports
- Controlling the outbound movement of goods in transit through Canada

EXPORT REPORTING METHODS

There are currently four methods of reporting exports:

- Canadian Automated Export Declaration (CAED)
- G7 Electronic Data Interchange (EDI) Export Reporting
- Summary Reporting
- Form B13A, Export Declaration

% of export value per reporting method*



**Data regarding goods that can be exported without being reported and goods exported to the U.S. are not included as per sections 6 & 7 of the Reporting of Exported Goods Regulations*

DRIVERS

- Industry:
 - Industry associations have communicated to the CBSA their views outlining the benefits (eliminating air cargo security concerns, less costly, more efficient, etc.) of moving to mandatory electronic reporting
- Risk Management:
 - Better equipped to manage electronic data
 - Improved risk assessment
 - Consistent with the overall direction of the CBSA

MANDATORY ELECTRONIC REPORTING: WHAT THIS MEANS

- Paper reporting via the paper B13A will be phased out
- Excludes
 - Summary reporting
 - Carrier modes other than marine
- Paper B13A users will be encouraged to use the Canadian Automated Export Declaration (CAED)
 - Free software download
- Option of G7 EDI is also available

EXCLUSIONS

- Summary Reporting
 - Reporting will remain paper based
 - Program Review, Phase 1 - Fall 2011
 - Current participants will be re-assessed
 - A new application form and reporting format is being developed
 - Program Review, Phase 2
 - Eligibility criteria will be revised
 - Requires regulatory change (anticipated December 2014)

- Carrier modes other than marine
 - Capacity for mandatory electronic reporting is available in marine mode but not in other modes

BENEFITS TO CBSA

- **Manual Processing Costs will be eliminated**
 - More efficient operation
 - No paper declarations to review
- **Data Quality**
 - Receipt of information in electronic format
 - More accurate, consistent
- **Better aligns the Export Program with the overall direction of the CBSA's commercial program**
- **Improved risk assessment capacity**

BENEFITS TO STATISTICS CANADA

- Efficiency
 - Elimination of manual capture of export declarations
- Data Quality
 - Receipt of information in electronic format
 - More accurate, consistent
- Timeliness
 - Eliminates the time to receive and enter the paper declarations

BENEFITS TO INDUSTRY

- Exporters
 - Manual Processing costs will be eliminated
 - More efficient operation
 - Data Quality
 - Access to free electronic CAED software
 - Less likely to receive an AMP penalty for incomplete information

- Carriers
 - Manual processing costs will be eliminated
 - More efficient operation
 - Efficiency
 - Will expedite export shipments being transported via courier
 - Less likely to receive an AMP penalty for late reporting

WHAT WE HAVE DONE

- Initial discussions have started with external stakeholders advising of our proposed direction
- Associations
 - International Air Transport Association (IATA)
 - Canadian Courier & Logistics Association (CCLA)
 - Canadian International Freight Forwarders Association (CIFFA)
 - Shipping Federation of Canada
 - Chamber of Shipping of British Columbia
 - Canadian Association of Importers & Exporters
- Other Government Departments (OGD's)

CONSULTATION

- External consultation and outreach
 - Continue discussions with internal and external stakeholders
 - The CBSA will develop a communication and implementation plan
- Publish a Customs Notice
 - A Customs Notice will be issued to officially advise the export community of the CBSA direction – Fall 2011
- Share regulatory and policy draft changes with external stakeholders

PROPOSED IMPLEMENTATION TIMELINE

- April 1, 2012
 - Begin implementation
- Exporters and carriers will have six months to make the transition to electronic reporting
- AMP penalties will not be issued until the Regulations come into effect (anticipated date December 2014)

EXPORTER / CARRIER SUPPORT

- Policy and technical support will be available to exporters and carriers:

Exporters

- Export Programs, Commercial Border Programs Division
- Regional Client Services
- Border Information Services (BIS) Line
- Statistics Canada CAED Help Desk

Carriers

- Export Programs, Commercial Border Policy Division
- CBSA's Electronic Commerce Unit

CONTINGENCY

- The CBSA will accept paper B13As on a case-by-case basis. The following are possible scenarios:
 - The exporter's Internet access is unavailable
 - The CBSA's G7 EDI system access is unavailable

QUESTIONS?