



Canada Border
Services Agency

Agence des services
frontaliers du Canada



Centralization of Commercial Payments

Frequently Asked Questions

External

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Centralization of Commercial Payments

Frequently Asked Questions

1. Why is the CBSA centralizing commercial payments?

The Canada Border Services Agency (CBSA) is centralizing its commercial payment process to improve the accuracy and reconciliation of client accounts and to increase the efficiency of month-end activities. The Agency is also encouraging brokers and importers to move to electronic payment (online banking or Electronic Data Interchange (EDI)). This will reduce complex manual adjustments by both the CBSA and its clients, and ensure payments are received on time and error free.

2. Who is being impacted by centralized commercial payments?

Centralized commercial payments will impact brokers and importers who make monthly account payments, i.e. those with Account Security (ASEC), those under the GST Direct Payment Option or those securing their own goods under the Importer Direct Security Option.

3. What types of payments are being centralized?

Interim and monthly Statement of Account payments by brokers and importers are being centralized. K23, K9 and AMPS Penalty payment processes remain unchanged. Importers' Cash B3 payments (including those for travellers) and B2 adjustment payments will continue to be accepted at all ports of entry.

4. How is the centralization of commercial payments being implemented?

The centralization of payment is being implemented in phases:

- Phase 1, effective February 25, 2017 (March 2, 2017 payment due date)
 - Payments and allocations for a pre-defined list of 31 brokers.
- Phase 2, effective March 25, 2017 (March 31, 2017 payment due date)
 - An additional 90 brokers will begin central payments and allocations.
- Phase 3a, effective April 25, 2017 (May 1, 2017 payment due date)
 - An additional 90 brokers will begin central payments and allocations.
- Phase 3b, effective May 25, 2017 (May 31, 2017 payment due date).
 - All remaining brokers will begin central payments and allocations
- Phase 3c, effective June 25, 2017 (June 30, 2017 payment due date)
 - All importers making direct payments on their Statements of Account will begin central payments

5. How are brokers and importers being informed?

Notification letters are being sent to brokers and impacted importers. Conference calls are being held with brokers and importers to answer questions related to the changes.

Information will also be available on the CBSA web site.

6. How do I pay centrally?

Please refer to the [Payment Instructions](#) at the end of this document.

7. What CBSA payee name should importers be looking for on the internet banking sites of participating financial institutions?

The following are the confirmed names that appear on internet banking sites:

BMO

The name appears as CANADA BORDER SERVICES AGENCY on the BMO website. Since Telus has developed this for BMO, Citibank, Bank of America and Tangerine, they are all using the same payee database and the same payee name.

RBC

The name appears as CBSA Duties, Taxes and Fees on the RBC website.

TD

The name appears as CBSA DUTIES TAXES FEES on the TD website.

Scotiabank

The name appears as CBSA DUTIES TAXES FEES on the Scotiabank website.

National Bank

The name appears as CANADA BORDER SERVICES AGENCY or AGENCE DES SERVICES FRONTALIERS DU CANADA on the National Bank website.

8. How will I know that the CBSA has received my payment?

There are five sources of information to confirm that the CBSA has received your payment:

- 1) Clients paying using EDI will receive an EDI 824 and/or EDI 997 message from their financial institution or service provider to confirm that the payment was delivered; this message serves as proof of payment.

- 2) Clients paying using online banking will receive a confirmation number from their financial institution.
- 3) You can request delivery receipt of your physical payment package through the tracking solutions of your courier.
- 4) Your Daily Notice will be updated to reflect the payment.
- 5) Your cleared cheques reflects receipt of payment.

9. Am I still able to contact the Ports of Entry (POEs) for quick answers about my accounts?

During the phased implementation, clients submitting payment at POEs can continue to direct questions to the POE, regional offices or email the CARM mailbox:

CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca. with the appropriate subject line: Inquiry/Account Balance; Reference subject line bulletin; Inquiry/Centralization of Payment; Inquiry/Electronic Payment.

Clients paying centrally can send enquiries related to their Daily Notices (DN) and monthly Statements of Account (SOA) to CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca. with the subject line: Inquiry/Account Balance.

10. Will there be changes to policies as the result of the centralization of commercial payments?

Yes, a number of policies are currently being updated as the result of the implementation of the Accounts Receivable Ledger (ARL), the introduction of electronic payment and centralization of commercial payments. When complete, these policy changes will be communicated through CBSA Customs Notices.

11. Other questions about your accounts?

Additional information is available on the CBSA website, at: <http://www.cbsa-asfc.gc.ca/prog/carm-gcra/faq-eng.html>;

Enquiries: If you have additional questions, please contact: CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca with the appropriate subject line: Inquiry/Account Balance; Reference subject line bulletin; Inquiry/Centralization of Payment; Inquiry/Electronic Payment.

Appendix A - Payment Instructions

These instructions outline the requirements for sending payments for monthly Statements of Account (SOA) as well as interim payments to the new CBSA Central Payment Processing Centre. It includes instructions relating to:

- 1) Sending physical payment packages to the Central Payment Processing Centre;
- 2) Setting up Electronic Payment.

Section 1 - Sending physical payment packages to the Central Payment Processing Centre

1. Address

Payments packages are to be sent to:

Canada Border Services Agency (CBSA)
MAILROOM
Attention: Accounts Receivable Management Unit
333 North River Road, Place Vanier, Tower A
Ground Floor, Room 1018
Ottawa, Ontario K1A 0L8
Telephone: 343-291-5265

2. End-of month envelopes/packages are to contain:

- a. **Broker/Importer Cheque** – Brokers/importers are to provide a single cheque to pay their SOA. It should be noted that the banking regulations in Canada require payments over \$25M to be made electronically. As a result, the Central Payment Processing Centre will not be able to accept cheques over \$25M. If this is a concern please contact: CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca.
- b. **Importer Cheques** - If importers are under the GST Direct Payment Option or have their own account security and cheques are currently submitted as part of the broker payment package, please include these cheques in your package as well. Ensure that the importer **business number RM account (BN15) (e.g., 123456789RM0001)** is on the cheque. “G” or “I” importers are, however, encouraged to use electronic payment to make these payments, or they can remit directly to the CBSA by courier to the address in #1 above.
- c. **“On behalf of” Cheque and Payment Allocation Sheet (PAS)** – If brokers are making payments on behalf of importers (those under the GST Direct Payment Option or those securing their own goods under the Importer Direct Security Option) they are required to include:
 - i. a single cheque for all of these clients

- ii. a completed Payment Allocation Sheet (PAS). A hard copy of the PAS is to be included in the payment package. The PAS (in excel format) should also be emailed to: CBSA.Payments-Paiements.ASFC@cbsa-asfc.gc.ca. The subject line should read: **{Month} SOA allocation, {Account Security #} re: Monthly PAS and RES**. Please ensure your contact information is included on the PAS.
 - d. **Reconciliation Exception Sheet (RES)** – Brokers and importers are expected to pay their SOA in full. In exceptional circumstances there may be a requirement to short pay a SOA. If this occurs, please complete the RES. A hard copy of the RES should be included in the payment package. The RES should also be emailed to: CBSA.Payments-Paiements.ASFC@cbsa-asfc.gc.ca. The subject line should read: **{Month} SOA allocation, {Account Security #} re: Monthly PAS and RES**. Please ensure your contact information is included on the RES. The RES and the PAS can be submitted in the same email.
3. **Delivery timing (transition period - end date of transition period will be confirmed in advance):**
- a. The payment deadline continues to be 16:30 local time on the day the payment is due.
 - b. For a transition period, the CBSA will consider a payment package that is post marked or courier accepted (date and time) before the payment deadline and received by the Centralized Payment Processing Centre before **13:00** Eastern Standard Time on the following business day as received on time.
 - c. Clients should verify cut-off times and delivery commitments with their couriers.
 - d. The CBSA is flexible in response to unforeseen events. If there are circumstances for your organization in your geographical area which make it difficult to achieve these deadlines please contact: CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca

Enquiries: If you have questions related to the centralized payment process, please send them to: CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca with the subject line: Inquiry/Centralization of Payment

Section 2 – Setting up Electronic Payment

Electronic payment provides a convenient automated solution to ensure that your payments to the CBSA are received on time and error free. This facilitates seamless payment processing and the accuracy of your account by reducing complex manual adjustment activities requiring intervention by both the CBSA and payers.

Note, electronic payments are applied to the account balance and not specific transactions

The CBSA offers two electronic payment options:

1. Online banking:

- Importers making their own monthly payments are able to do so online or by phone through participating financial institutions (FIs). This includes importers making payments for GST under the GST Direct Payment Option or importers who have their own account security and pay their own duties and taxes.
- To use this option, importers are to visit their FI's web bill payment portal and select: "CBSA Duties Taxes Fees" or "CBSA Duties, Taxes and Fees" or "Canada Border Services Agency" or "Agence des Services Frontaliers du Canada" as a payee, **using their business number (BN15, e.g. 123456789RM0001) as the account number** (not the Canada Revenue Agency RT account number). To access the phone option, importers are to contact their FI for initial set-up.
- Online banking is currently offered by Scotiabank, TD, Banque Nationale, RBC and BMO (which includes BMO, Citibank, Bank of America and Tangerine).
- The CBSA is currently in discussions with other financial institutions regarding EDI and online banking.

2. Electronic Data Interchange (EDI)

- Clients can use EDI to send their payment and payment instructions to the CBSA.
- Clients should contact their FI client relationship manager to inquire about setting up and testing the CBSA EDI payment capability.
- Only CBSA EDI certified FIs are able to offer CBSA EDI payment. This service is currently offered by Scotiabank, TD, Banque Nationale, RBC and BMO (which includes BMO, Citibank, Bank of America and Tangerine).
- The CBSA is currently in discussions with other financial institutions regarding EDI and online banking.
- To participate, the client must have a valid Business Number and have tested their data transmission with the participating FI.

- The EDI Payment Process:
 - The process works through the sending of an EDI 820 remittance advice message. This message is originated by the client and transmitted to their partner FI.
 - The FI withdraws the payment amount in the transmitted EDI 820 from the broker bank account and deposits it in the CBSA EPAY account at that particular FI (this is considered the date and time of payment).
 - The FI then sends the EDI 820 remittance advice to the CBSA who confirms receipt.
 - The CBSA system posts the payment in the remittance advice to the accounts specified (CBSA payment allocation rules apply).

Payment cut-off times are determined by each FI. Clients using the EDI payment method are responsible for knowing and adhering to their FI's EDI cut-off time in order to avoid late payment. If you have concerns about the cut-off times for your FI please contact:

CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca.

Enquiries: If you have questions related to setting up electronic payment, please send them to:

CBSA-ASFC_CARM.GCRA@cbsa-asfc.gc.ca.