

## ***EDI and the Canada Border Services Agency (CBSA)***

January 16, 2008

*The following has been compiled by Russell A. Farrow Limited*

### ***EDI and CBSA***

CBSA desires all transactions between themselves and importers/brokers to be processed electronically, via EDI. This change is taking place world-wide with customs agencies requesting data in an electronic format, making paper unacceptable. This initiative is being pursued for several reasons and **Canada is no exception.**

- 1). Receiving as much information as possible electronically will allow comparison of the details of each shipment against the CBSA electronic security system, known as **TITAN**;
- 2). CBSA can eliminate the keying process thereby improving efficiency and accuracy.

ACI (Advanced Commercial Information) was introduced several years ago and clearly spells out that the receipt of data electronically is vital in order to achieve the CBSA's goals of spending more time on high risk shipments and allowing low risk shipments to pass with little interference from customs. E-manifest which is part of ACI requires all shipment details to be presented electronically including the 10-digit HS Classification Number.

*Note: At the time of writing the 10-digit requirement is being discussed by CBSA and the importing community.*

Shipment information comes from various sources, but primarily from the carrier and the importer/broker. For the most part, carriers provide little or no electronic data today and it is **the importer/broker that provides the greatest volume of data via electronic means.**

CBSA have been introducing the requirement for electronic data gradually. ACROSS has been working for at least 10 years and a few very large carriers have been providing data electronically (e.g.: Roadway, Yellow, FedEx). CBSA have been increasing the requirement for importers/brokers to supply more data electronically. Recently we saw them demand, with only a few specified exceptions, that all release data must be transmitted electronically. **A transition period, which is expected to end in March, 2008 was provided.**

At that time we expect that CBSA will force importers/brokers to provide data from all invoices under 100 lines via EDI. There will be a very few limited exceptions where they are currently unable to accept the electronic data. After a period of approximately six months it is expected that the number of invoice lines will increase, possibly to the 250 to 500 line range. The final phase, **implementation time yet to be determined**, will require all invoice data under 999 lines to be transmitted via EDI.

As your customs broker, Russell A. Farrow Limited is well situated to meet this challenge. Although we receive comparatively little data via EDI, by re-keying invoice data, we have **consistently processed in excess of 95% of transactions via EDI.**

However, the job is far from complete. Re-keying is a costly and time consuming process. The remaining issues will be difficult to accomplish without the support of our clients. EDI from the source will play a major part as will the proximity of your suppliers to the border. The additional cost to us to provide the data electronically to customs in a timely manner will continue unless there is a major increase in the amount of good quality EDI data being sent to us by our clients and your suppliers. This change is necessary because today we have up to five days to key the additional data elements not currently required at the time of customs release. **Tomorrow, as the**



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**very tough standards come into play, ALL data will have to be keyed prior to the time of release, in a matter of hours rather than days.**

As your customs broker, we are asking for your assistance and cooperation in acquiring EDI data from your suppliers to the extent possible. The only alternative will be to encourage your vendors to send us the information sooner than you do today to provide us with sufficient time to re-key the data and prepare the release in the EDI format required by CBSA. **Delays in the customs release process will be inevitable if no changes are made.**

If you are interested in obtaining further information about EDI, please contact your Client Service Representative.