



Importer Security Filing

"10 + 2" Program

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Background on ISF

- Advance Trade Data Initiative (June 2004)
- CBP Targeting Taskforce (March – May 2006)
- SAFE PORT ACT (October 2006)
- ATDI “10+2” Testing (Feb 2007 – Nov 2008)
- Notice of Proposed Rule Making Process Publication (January 2008)
- Interim Final Rule Publication (November 2008)

Existing Requirements for Carriers

Carriers are currently required to submit advance cargo info for vessels no later than 24hrs prior to cargo lading aboard a vessel – otherwise known as the “24-Hour Rule”. Carriers are not currently required to submit stow plans or container status messages to CBP.

Existing Requirements for Importers

Importers of record are required to file entry information with CBP within 15 calendar days of the date of arrival of a shipment at a U.S. port of entry. In addition, within 10 working days of the entry of merchandise, entry summary info must be submitted.

Purpose of “10+2” Rule

To help prevent terrorist weapons from being transported to the U.S., vessel carriers bringing cargo to the U.S. as well as importers of record are required to transmit information to CBP about the cargo they are transporting/importing prior to lading that cargo at foreign ports of entry. The required information is reasonably necessary to improve CBP’s ability to identify high-risk shipments so as to prevent smuggling and ensure cargo safety and security.

Implementation Strategy

- **Effective Date:** The Interim Final Rule will take effect on January 26, 2009 (60 days after the publication date). This will be referred as the Flexible Enforcement and Structured Review Process.
- **Compliance Date:** 12 month delayed compliance period from the effective date to allow industry to comply with the new requirements – January 26, 2010.

What is Expected During Effective Period (a.k.a. Structured Review Period)

- CBP will show restraint in enforcing the rule so long as:
 - Importers are making satisfactory progress toward compliance
 - Importers are making a good faith effort to comply with the rule to the extent of their current ability
- CBP committed to work with trade to assist in achieving full compliance and will provide guidance in the form of:
 - FAQs
 - Postings on CBP web site
 - Scheduling outreach programs to the trade
- CBP will collect feedback from trade and data during the structured review period to determine whether to eliminate, modify, or leave unchanged these requirements.

Public Participation

- Interested parties are invited to submit written comments on only the following six data elements for which CBP is providing some type of flexibility: manufacturer/supplier, ship to party, country of origin, commodity, stuffing location, and consolidator.
- CBP also invites comments on the revised Regulatory Assessment and Final Regulatory Flexibility Analysis.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP-2007-0077.
- Comments are due by June 1, 2009

What is the Security Filing?

The Security Filing, commonly known as the “10+2” initiative, is a CBP regulation that requires importers and carriers to provide additional advance trade data to CBP pursuant to the SAFE Port Act of 2006 and the Trade Act of 2002.

Importer Requirements:

Regular Cargo (includes FTZ and I.T.): requires the electronic filing of an ISF (Importer Security Filing) comprised of 10 data elements.
Transit Cargo (FROB, I.E., and T&E): requires the electronic filing of an ISF comprised of 5 data elements.

Carrier Requirements:

Vessel Stowage Plans: required for arriving vessels with containers
Container Status Messages: required for containers arriving via vessel.

Importer Security Filing (ISF) Importer

- The party required to submit the Importer Security Filing (ISF) is the party causing the goods to enter the limits of a port in the U.S. This party is known as the “ISF Importer” .
- For foreign cargo remaining on board (FROM), this party is the carrier (vessel operating carrier).
- The party filing for the immediate exportation (IE), transportation and exportation (T&E), or foreign trade zone (FTZ) documentation is the ISF importer for those types of shipments.

ISF Filer Requirements

- An importer may be a self-filer or they can choose to use an agent.
- All ISF filings are to be done electronically via vessel Automated Manifest System (AMS) or the Automated Broker Interface (ABI).
 - There will be no paper forms
- If the filer is not able to reasonably verify the information required for the ISF filing, the filer may submit the information on the basis of what is reasonably believed to be true.
- The party who filed the ISF must update the ISF if, after the filing and before the goods arrive within the limits of a port in the U.S., there are changes to the information filed.

ISF Bonding Requirements

- ISF filings will be secured by a bond. Generally, continuous bonds will be accepted for ISF filings.
- The ISF Importer must possess a bond or designate an agent to file under the agent's bond prior to filing the ISF.
- The following types of bonds have been amended to cover the new ISF requirements:
 - Basic Importation and Entry Bonds
 - Basic Custodial Bond
 - International Carrier Bond
 - FTZ Operator Bond

Why is the Bond Required?

After the informed compliance period officially ends (January 26, 2010), the ISF importer is bound to provide a complete, accurate, and timely filing or risk liquidated damages in the amount of \$5,000. The bond is there to assure that the importer complies or else the bonding company must pay the liquidated damages.

Bill of Lading Number

- Identifier commonly known as the “11th Element”
- Absolutely necessary to properly link the ISF to the customs manifest data.
- ISFs are to be done at the “lowest” bill of lading level. CBP will accept an ISF at either the house bill of lading or regular (straight) bill of lading level.

Flexible Enforcement

- CBP has added flexibility for 4 ISF elements as to the interpretation of the data: manufacturer (supplier) name/address, ship to party, country of origin, and commodity HTSUS number.
 - These elements are still required 24 hours prior to vessel lading.
 - Importers, in their initial filing, will be permitted to provide a range of acceptable responses based on facts available at the time.
 - Importers will be required to update their filings as soon as more precise or accurate info is available.
- CBP has added flexibility for 2 ISF elements as to the timing: container stuffing location and consolidator (stuffer) name/address.
 - ISF Importer must file this data as soon as possible, but NLT 24 hours prior to U.S. arrival.

Line-Item Linking Requirements

- Manufacturer (Supplier) name/address, country of origin, and commodity HTS-6 must be linked at the shipment or entry level.
- No linking is required at the container, bill of lading, or invoice level.

•	<u>Line#</u>	<u>Manf. (Supp)</u>	<u>HTS-6</u>	<u>C/O</u>
•	001	ABC Manufacturing	630210	CN
•		224 Xingong Rd	(bed linens)	
•		SHANGHAI, CN		
•		200000		
•	002	ABC Manufacturing	630221	CN
•		224 Xingong Rd	(pillow cases)	
•		SHANGHAI, CN		
•		200000		

Address Components

- Postal Code information is “conditional”. If a country uses postal codes, it will be required. The postal code is akin to the U.S. Zip Code.
- During the structured review and flexible enforcement period, the lack of a postal code (when required) will result in an “accepted with warning” message.

Amendment Process

- The party who filed the ISF is required to update the ISF if, after the filing and before the goods arrive into the port limits of the U.S., there were changes to the information filed or more accurate information becomes available.
- Filer must use the ISF Unique Identification Number to withdraw or replace an existing filing.

Filer Messaging Components

- CBP will return system messages to the ISF filer – Accept, Accept with Warnings, Conditional Acceptance, or Reject.
- A unique identification number will be returned for all filings that have been accepted.
- A bill of lading “match” or “no match” message will be returned. If “no match” the system will periodically check for a match. If a match is made, a message will be sent back to the filer.

Carrier Messaging Components

- CBP will return system messages to the issuer of the bill of lading at the house or regular bill level.
- A status notification of “ISF on File” will be sent to the issuer of the bill of lading (e.g. NVOCC or carrier) and all second notify parties.
- The issuer of the bill of lading (i.e. NVOCC or carrier) will not be able to access the actual data elements.
- The vessel operator, vessel operating carrier, and NVOCCs are not required to verify that an ISF has been filed against a bill of lading. The onus is on the importer to provide a complete, valid, and timely ISF.

Enforcement Options

- CBP will enforce the ISF, vessel stow plan, and container status message requirements through the assessment of liquidated damages, in addition to penalties applicable under other provisions of law.
- However, during the Structured Review and Flexible Enforcement Period, CBP will not issue liquidated damages or use the “do not load” hold function for simple failure to comply with the new “10+2” requirements (timely, accurate, and complete filings).
- This period will be for a minimum of one year and will commence from the January 26, 2008.
- If circumstances warrant, CBP reserves the right to take any and all actions required to protect the security of the U.S.

1. Importer of Record Number

- Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the entity liable for payment of all duties and responsible for meeting all statutory and regulatory requirements incurred as a result of importation.
- For goods intended to be delivered to an FTZ, the IRS number, EIN, SSN, or CBP assigned number of the party filing the FTZ documentation with CBP must be provided. The importer of record number for Importer Security Filing purposes is the same as “importer number” on CBP Form 3461.

2. Consignee Number

- Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the individual(s) or firm(s) in the United States on whose account the merchandise is shipped. This element is the same as the “consignee number” on CBP Form 3461.

3. Seller (Owner)

- Name and address of the last known entity by whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided.
- The party required for this element is consistent with the information required on the invoice of imported merchandise. See 19 CFR 141.86(a)(2).
- A widely recognized commercially accepted identification number for this party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

4. Buyer (Owner)

- Name and address of the last known entity to whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided.
- The party required for this element is consistent with the information required on the invoice of imported merchandise. See 19 CFR 141.86(a)(2).
- A widely recognized commercially accepted identification number for this party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

5. Ship To Party

- Name and address of the first deliver-to party scheduled to physically receive the goods after the goods have been released from customs custody.
 - CBP is looking for the actual deliver to name/address; not the corporate address
 - If unknown, provide the name of the facility where the goods will be unladen.
 - May provide a FIRMS code of a warehouse or terminal if the specific ship to name/address is unknown at the time of the filing. For example, a container freight station is acceptable.
 - May provide the name and address of an in-land distribution center if the specific ship to name/address is unknown at the time of the ISF filing.
- A widely recognized commercially accepted identification number for this party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

6. Manufacturer or Supplier

1. Name and address of the entity that last manufactures, assembles, produces, or grows the commodity
2. Or, name and address of the supplier of the finished goods in the country from which the goods are leaving.
3. In the alternative, the name and address of the manufacturer (or supplier) that is currently required by the import laws, rules and regulations of the United States (i.e., entry procedures) may be provided (this is the information that is used to create the existing manufacturer identification (MID) number for entry purposes).
 - A widely recognized commercially accepted identification number for this party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

7. Country of Origin

- Country of manufacture, production, or growth of the article, based upon the import laws, rules and regulations of the United States. This element is the same as the “country of origin” on CBP Form 3461.

8. Commodity HTS-6 Number

- Duty/statistical reporting number under which the article is classified in the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS number must be provided to the six-digit level.
- The HTSUS number may be provided to the 10-digit level.

9. Container Stuffing Location

- Name and address(es) of the physical location(s) where the goods were stuffed into the container. For break bulk shipments, the name and address(es) of the physical location(s) where the goods were made “ship ready” must be provided.
 - The “scheduled” stuffing location may be provided.
 - This may be the same name/address as the manufacturer (supplier)
 - If a “factory load”, simply provide the name and address of the factory
- A widely recognized commercially accepted identification number for this party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

10. Consolidator (Stuffer) Name/Address

- Name and address of the party who stuffed the container or arranged for the stuffing of the container. For break bulk shipments, the name and address of the party who made the goods “ship ready” or the party who arranged for the goods to be made “ship ready” must be provided.
 - If no consolidator is used, e.g. “factory load” shipments, provide the name/address of the manufacturer (supplier).
- A widely recognized commercially accepted identification number for this party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

Current Status Versus New Requirements

Required Manifest Data

Generally, 24 Hrs Prior to Lading

- Bill of Lading Number
- Foreign Port before vessel departs for U.S.
- Carrier SCAC
- Carrier Assigned Voyage Number
- Date of Arrival at First U.S. Port
- U.S. Port of Unlading
- Quantity
- Unit of measure of Quantity
- First Foreign Place of Receipt
- Commodity Description (or HTS-6)
- Commodity Weight
- Shipper Name
- Shipper Address
- Consignee Name
- Consignee Address
- Vessel Name
- Vessel Country
- Vessel Number
- Foreign Port of Lading
- Hazmat Code
- Container numbers
- Seal Numbers
- Date of departure from Foreign Port
- Time of Departure from Foreign Port

Security Filing Data

ISF-10 "Regular" Cargo
(3461, IT, FTZ)

- 24 Hours Prior to Lading
 - Seller (Owner) name/address
 - Buyer (Owner) name/address
 - Importer of record number
 - Consignee number
- 24 Hours Prior to Lading - Range of Responses
 - Ship to Party
 - Manufacturer (Supplier) name/address
 - Country of Origin
 - Commodity HTS-6
- No Later than 24 Hours Prior to Arrival
 - Container Stuffing location
 - Consolidator name/address

ISF-5 "Transit" Cargo

(FROB, IE, TE)

- Booking Party Name/Address
- Ship to name/address
- Commodity HTS-6
- Foreign Port of Unlading
- Place of Delivery

Stow Plan Data

Container Status

Message (CSM) Data

Entry Data Elements

Generally, up to 15 Days After Arrival

- Entry Number & Type
- Entry - Dist & Entry - Port
- Filer Code
- Importer of Record
- Ultimate Consignee
- Surety Number
- Filing Date & Time
- Importing Carrier
- Vessel Name
- Country of Origin
- Exporting Country
- Exporting Date
- Foreign Port of Arrival
- Estimated Arrival Date
- Entry Value
- HSUSA (10)
- Manufacturer ID