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Importer Security Filing and Additional Carrier Requirements



aka: "10+2" Program



U.S. Customs and
Border Protection

8/25/2009

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Today's Presentation on "10+2"

- Introduction and Overview
- Specific Importer and Filer Requirements
- Implementation Strategy
- Questions



“Interim” Final Rule ISF/10+2

- **WHAT:** Importers of goods via ocean vessel into US are required to electronically report additional “data elements” to US Customs 24 hrs before loading at the foreign port of departure.
- **WHY:** To help prevent terrorist weapons and other contraband from being transported to the United States.
- **WHO:** Importers must report the 10 data elements (discussed in following detail) + B/L#. Ocean carriers must report two other data elements (the “2” of “10+2”).
- **HOW:** Transmitting data electronically via “ABI” (automated broker interface). We provide the data to our service provider (aka: import broker) and they electronically file on our behalf.



US CUSTOMS REQUIRES:

-“10+2” Advanced Data Elements (1/25/09 – 1/25/10 phase-in)

DATA ELEMENTS COMPARISON

Current Required Manifest Data

Bill of Lading Number
 Foreign Port prior to Depart to U.S.
 Carrier SCAC
 Carrier Assigned Voyage Number
 Date of Arrival at First U.S. Port
 U.S. Port of Unlading
 Quantity
 Unit Measure of Quantity
 First Foreign Place of Receipt
 Commodity Description (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

Manufacturer/Shipper name/address
 Seller name/address
 Container Stuffing Location
 Buyer name/address
 Ship to name/address
 Importer of Record Number
 Consignee Number
 Country of Origin
 Commodity HTS-6
 Consolidator name/ address
 Stow Plan
 Container Status Message

Entry Data

Entry Number/Type
 Entry – Port/Entry
 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 Arrival
 Estimated Arrival Date
 Entry Value
 HSUSA (10)
 Manufacturer ID



Flexible Enforcement

- In order to provide the trade sufficient time to adjust to the new requirements and in consideration of the business process changes that may be necessary to achieve full compliance, CBP will show restraint in enforcing the rule, taking into account difficulties that importers may face in complying with the rule, so long as:
 - importers are making satisfactory progress toward compliance and
 - are making a good faith effort to comply with the rule to the extent of their current ability.
- **This policy will last for twelve months after the effective date and will apply to all aspects of the filing rule. 1/25/09 – 1/25/10**
- CBP is committed to fully supporting the trade community in its efforts to successfully implement the requirements of this rule.



Structured Review Period

- During the first year, CBP will monitor all ISF submissions for timeliness, accuracy and completeness and will work with any non-complying ISF filer in order to help them adhere to the new requirements.
- CBP will consider an entity's progress in the implementation of the rule during the delayed enforcement period as a mitigating factor in any enforcement action following the delayed enforcement period.
- DHS, in coordination with other parts of the Executive Branch, will determine whether to eliminate, modify, or leave unchanged these requirements.



Penalties beginning 1/26/10

- **US\$5,000 per violation**
- “Do not load” instructions to carrier at foreign port
 - Customs will match up “Advanced Manifest Filing” by carrier with importer-filed ISF via the B/L# used for each.
- Possible suspension of importing privileges
- **ULTIMATE RESPONSIBILITY LIES WITH THE IMPORTER**
 - Incorrect info from supplier/seller does not excuse importer’s responsibility
 - Customs DOES allow for corrections/amendments to filing prior to vessel arriving at US port.
- DHS, in coordination with other parts of the Executive Branch, will determine whether to eliminate, modify, or leave unchanged these requirements.



Exemptions from the ISF

- Bulk Cargo is exempt from all ISF requirements.
- “Exempt” Break Bulk is cargo that has already received a temporary exemption from CBP for the purposes of the 24 Hour Manifest Rule requirements. An ISF for “Exempt” Break Bulk cargo needs to be filed no later than 24 Hours prior to U.S. arrival.



Amendment Process

- The ISF Importer is ultimately responsible for updating the Importer Security Filing.
- The ISF must be updated, if after the filing and before the goods enter the limits of a port in the United States, there were changes to the information filed or more accurate information becomes available.
 - First U.S. Port. Goods laden in Le Havre (France), transiting Newark, NJ and discharging in Charleston, SC. Updates must be done before the vessel enters the port limits in Newark, NJ.
- If an agent was used to do the initial ISF filing, that same party must be used to update the ISF.



ISF 10 Data Elements



Security Filing Data

Manufacturer/Shipper name/address

Seller name/address

Container Stuffing Location

Buyer name/address

Ship to name/address

Importer of Record Number

Consignee Number

Country of Origin

Commodity HTS-6

Consolidator name/ address



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.
 - The importer of record number for Importer Security Filing purposes is the same as “importer number” on CBP Form 3461.
- 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.

NOTE: THIS WILL BE FIXED FOR xxxx, LLC →xx-xxxxxxx-xx



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.

NOTE: THIS WILL BE FIXED FOR xxxx, LLC →xx-xxxxxxx-xx



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.



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.

**NOTE: THIS WILL BE FIXED FOR xxxx, LLC →
xxx Xxxxxxx Dr, XXXXXXXXXXXX, XX**



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.



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.



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.



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**.
- In the alternative, the filer may choose to provide the HTSUS number to the **10-digit level**. ← More complicated

Harmonized Tariff Schedule of th
Annotated for Statistical Report

Heading/ Subheading	Stat Suf- fix	Article Description
8477		Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this chapter; parts thereof:
8477.20.00		Extruders
	05	Of a type used for processing rubber or other thermosetting materials:
	15	Single screw
		Other, including multiple screw
		Of a type used for processing thermoplastics:
	35	Single screw, with a screw size:
	45	Less than 6.4 cm
		6.4 cm or greater
	55	Other, including multiple screw:
	65	With a screw size less than 6.4 cm
		With a screw size 6.4 cm or greater

Example of extruder HTS classification



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.



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.



“ISF” Implementation Strategy



xxxx ONLY

YR08 IMPORT DATA (non- [redacted] /non- [redacted])

Country shipped from	Company name	Item description	US \$000s	# of Entries
S.Korea				66
S.Korea				56
Brazil				37
China				35
Japan				34
Italy				31
China				23
S.Korea				19
Turkey				19
Germany				17
S.Korea				14
Taiwan				13
Germany				11
Japan				11
South Africa				10
Great Britain				9
Turkey				8
Japan				7
Japan				6
China				5
Japan				5
S.Korea				4
Spain				4
Sweden				4
Thailand				4
China				3
Japan				3
Thailand				3
China				2
Italy				2
Japan				2
Taiwan				2
Brazil				1
China				1
China				1
China				1
China				1
China				1
China				1
Germany				1
Great Britain				1
Indonesia				1
S.Korea				1
India				1
Japan			US \$46,289.2	479
				ocean est 248 entries = US\$15,148K



“10+2” Implementation Strategy

XXXX’S SERVICE PROVIDER (aka import broker)

- for ocean shipments of equipment and raw materials is X.Xxxxxxx & Co



“10+2” Implementation Strategy

X.Xxxxxxxx ISF Filing Options

- 1) Online web-based “X-NET” portal allowing entry by supplier
- 2) Manual “template” (ex: EXCEL) completion and forwarding by supplier



“10+2” Implementation Strategy

Example of template



“10+2” Implementation Strategy

TARGET SUBMISSION FROM SUPPLIER IS 96 HRS BEFORE LOADING

- Allow for overseas/overnight query/correction of errors from supplier's submission
- Allows for tariff determination if necessary
- Why not 96 hrs before loading?



“10+2” Implementation Strategy

SUGGESTED TIMETABLE/STEPS

What	Who	When
1) Finalization of template and filing details		Done
2) Notice of requirement sent to supplier - should include follow-up contact by buyer		2/27/09 - 3/6/09
3) Trial ISF template by supplier (not an actual filing)		3/9/09 - 3/18/09
4) Confirmation of understanding/successful trial template - review/notify errors to supplier		3/19/09 - 3/25/09
5) Go live/implement - may be earlier if successful step#3		3/26/2009



“10+2” Implementation Strategy

~~COMPLAINTS ?~~

- QUESTIONS ?

SUGGESTIONS ?

OTHER ?

