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Importer Compliance for 10+2

Importers Security Filing Requirements

Importer's Security Filing

What is the Importer's Security Filing?

- New security filing requirement imposed on all importers for goods arriving via ocean transportation
- Also commonly known as the “10+2” initiative requires that importers & vessel operating carriers, provide additional advance trade data to CBP pursuant to Section 203 of the SAFE Port Act of 2006
- This new provisional rule is effective **January 26, 2009**

Why is this so important?

- To help prevent terrorist weapons from being transported to the U.S.
- Vessel carriers bringing cargo to the U.S. are required to transmit certain information to CBP about cargo that they are transporting **PRIOR** to lading of cargo at foreign ports of entry
- The information is reasonably necessary to improve CBP's ability to identify high-risk shipments, prevent smuggling & ensure cargo security

Importer's Requirements

- Must be filed by the importer or his agent
- Must be transmitted no later than **24 hours before the cargo is laden**
- An ISF is required for each shipment at the lowest bill of lading level down to the house bill of lading if applicable
- The ISF must be transmitted through the Automated Broker Interface (ABI) or through the Automated Manifest System (AMS)
- Any **changes or updates in the ISF must be done prior to the arrival of the goods at the port limits of the first U.S. port of arrival**

Importer's 10 Data Elements

1. Manufacturer (or seller) name and address

Name and address of the entity that last manufacturers, assembles, produces, or grows the commodity or name and address of the supplier of the finished goods in the country from which the goods are leaving

2. Seller name and address

Name and address of the last known entity by is selling the goods or has agreed to be sell

3. Buyer name and address

Name and address of the last known entity to whom the goods are sold to or agreed to be sold

4. Ship to name and address

Name and address of the first deliver-to party scheduled to physically receive the goods after they have been released from customs custody.

5. Container stuffing location

Name and address(s) of the physical location(s) where the goods were stuffed into the container.

Importer's 10 Data Elements

6. Consolidator (stuffer) name and address

Name and address of the party who stuffed the container or arranged for the stuffing

7. Importer of Record Number - FTZ applicant identification number

IRS, EIN, 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

8. Consignee number(s)

IRS, EIN, SSN or CBP assigned number of the individual(s) or firm(s) in the US on whose account the merchandise is shipped

9. Country of Origin

Country of manufacture, production, or growth of the article based upon the import laws, rules and regulations of the US

10. Commodity HTSUS number

Tariff number under which the article is classified in the HTSUS required up to the 6-digit level

Additional Data Element Requirements

- There are additional data elements that are required by CBP when submitting the filing:
 - *BILL OF LADING NUMBER*
 - *BILL LOF LADING SCAC CODE (eg: APLU – MAEU)*
 - *SUBMITTER BOND NUMBER*
- 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 file an ISF.
- An agent can file under the agent's bond OR under the ISF Importers bond.

Additional Data Element Requirements

- Identifier commonly known as the “11th Element” is the bill of lading number
- Absolutely necessary to properly link the Importer Security Filing (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 level or regular (i.e. simple, straight) bill of lading level.
- A single ISF may cover multiple bills of lading as long as they are all going to the same importer as part of the same shipment on the same vessel voyage.

2 Data Elements Required by the Carrier

Vessel Stow Plan

This information must be transmitted by the ocean carrier and includes:

- Name of the ship and operator
- Voyage number
- Container operator
- Number of total container on-board
- Size and type of equipment
- Position of containers
- Dangerous goods information
- Ports of lading and unloading

Container Status Message (CSM) Data

This information must be transmitted by the ocean carrier and includes:

- Movements of the containers in the terminal
- Status changes of containers
- Number of containers
- Description of events throughout the terminal
- Dates, times and placement of containers
- Name of the vessel

5 Data Elements for Cargo Moving In-Transit

“Transit” Cargo

Also commonly known as the ISF-5

1. Name and address of the Booking Party
2. Ship to name/address
3. HTSUS commodity tariff classification to the 6th digit
4. Foreign Port of Unlading – port code
5. Place of Delivery – first delivery place following Customs approval

Flexibility

CBP will show restraint in enforcement of the interim rule as long as importers show satisfactory progress in complying with the rule and maintain a good faith effort to comply

All data must be filed 24 hours prior to lading **HOWEVER** there exists exceptions to both the importer and carrier data elements. For the importer (4) of the (10) data elements required can be transmitted incomplete as long as the accurate information is received 24 hours **prior to arrival in a U.S. port**

Manufacturer	Country of Origin
Ship to Party	Customs HTSUS tariff

For the carrier the two elements may be submitted no later than 24 hours prior to arrival in the U.S. or upon lading at the foreign port if that is later than 24 hours prior to arrival in U.S. port

Vessel Stow Plan	Container Status Messages
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Frequently Asked Questions

When will this regulation go into effect?

- *Effective January 26, 2009*, ALL importers must begin electronically filing this information for all ocean shipments entering or arriving in-transit.

Why do I have to worry about this, won't our broker take care of it?

- Your broker can file the ISF on behalf of importers, however there is a lot of details involved in securing this transaction. Proper set-up along with absolute cooperation from each supplier are keys to a successful ISF program.

Can my supplier / forwarder take responsibility and assume liability for this ISF?

- No. While it is allowed for another party properly bonded and under power of attorney to file the ISF with CBP, the importer is always and ultimately responsible for a timely and accurate ISF transmission.

Will a shipment be stopped from loading if an ISF is not filed or filed late?

- There is no indication within the final ruling as to CBP issuing no-load messages in cases that the ISF has not been transmitted, however it does indicate the possibility of a penalty for ISF non filing beyond the flexible one year "phasing in" period.

Frequently Asked Questions

Will CBP provide a method for importers to file the ISF over the internet?

- No. The final ruling only allows electronic submission of the required data elements by the importer or their designated agent via ABI or AMS.

What if my supplier ships the cargo and we did not know about it?

- The importer here could be liable for a penalty up to the value of the cargo. Due to this it is absolute necessary that the importer control their supply chain and require that the suppliers work within our ISF system.

If any information changes or the merchandise is sold in transit does this have to be reported to CBP?

- Yes. Any changes to the originally filed ISF and any changes that occur prior to the vessel entering the limits of a U.S. port must be transmitted.

If an importer is C-TPAT certified will they receive any special consideration or exemption from the ISF rules?

- No. CBP is not proposing to allow exemptions from, or alteration of, the requirement that C-TPAT partners submit an ISF.

Frequently Asked Questions

If the carrier fails to submit or CBP finds a problem with the “+2” information provided, will my cargo be delayed?

- It is unknown at this time whether it will have adverse effect on the movement of cargo.

This is very sensitive data for us, how do I know this will be kept confidential?

- The final rule is clear that all ISF data will be used for targeting purposes only and will not be publicly available to anyone outside of CBP.

We know how difficult and burdensome some of this data can be to collect therefore can the shipper be responsible for the missing data?

- No. The importer is solely responsible for providing a complete and accurate transmission to CBP.

How much will this cost?

- Certainly some factors such as, number of importing items, who actually files the ISF, complexity of the supply chain, cooperation, timeliness and accuracy of data supplied as well as the ability to obtain commercial docs electronically will all determine the final cost of this new requirement.



Thank You!

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