

Forward Logistics Group

Your Cargo Link to the World™



FLG

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A vertical graphic on the left side of the slide shows a globe with a grid of latitude and longitude lines. The globe is rendered in shades of blue and white, with the continents visible. The background of the slide is white.

Importer Security Filing - 10+2

We'll Make It Work For You

Where Did ISF Come From?

- Result of the Safe Port Act of 2006 enacted by U.S. Congress in October of 2006
- NPRM Published January 2nd, 2008
- Interim Final Rule Published November 25, 2008
- Effective in 60 days – January 26, 2009
- 12 Month Informed Compliance

What is the ISF “10 +2”?

“Importer Security Filing and Additional Carrier Requirements”

The Security Filing, commonly known as the “10+2” initiative, is a Customs and Border Protection (CBP) regulation that requires importers and vessel operating carriers to provide additional advanced trade data to CBP pursuant to Section 203 of the SAFE Port Act of 2006 and section 343(a) of the Trade Act of 2008, as amended by the Maritime Transportation Security Act of 2002, for non-bulk cargo shipments arriving into the United States by Vessel.

Data Elements Transmitted to CBP

- **10 Entry Level Data Elements (ISF 10)**
- **2 Carrier Oriented Data Elements**
- **5 Entry Elements for FROB, IE, T&E, FTZ (ISF 5)**
- **Goal:**
 - **Ensuring Cargo Safety and Security, Prevent Smuggling**
 - **To Provide “ATS (Automatic Targeting System) Enhanced Security Screening”**

Who Is Required To File

- **Carrier – the 2**
 - “Carrier” is Defined by 19 CFR
 - The 2 Data Elements (Vessel Stow plan & Container Status Message)

- **Importer – the ISF 10 Applies to “Regular Cargo” (3461, IT & foreign trade zone (FTZ)).**
 - **New Definition of “Importer” under 19 CFR 149**
 - “The party required to submit the Importer Security Filing (ISF) is the party causing goods to arrive within the limits of a port in the United States.”
 - **The 10 Data Elements**

- **Importer / Filer of Data – the ISF 5**
 - For FROB (Freight remaining on board), the ISF filer is the carrier (vessel operating carrier)
 - IE, T&E, it is the ISF Importer filing those type of shipments.

The 10 Required Elements

Technical Specifications - ISF 10

- Manufacturer (or supplier) name and address
- Seller name and address
- Buyer name and address
- Ship to name and address
- Container stuffing location
- Consolidator (stuffer) name and address
- Importer of record Number
- Consignee Number (IRS)
- Country of origin
- Commodity HTSUS number

The 2 Required Elements

- **Vessel Stow Plan**
 - **vessel name and operator; voyage number; container operator; equipment number, size and type; stow position; hazmat code; and load/discharge ports**
- **Container Status Messages**
 - **terminal container movements, change in container status , focused on container status messaging set: equipment number; event description, date, time and location; and vessel.**

The 5 Required Elements

Technical Specifications ISF 5

- Booking Party Name and Address
- Foreign Port of Unlading
- Place of Delivery
- Ship to Name and Address
- Harmonized Tariff Schedule at minimum 6-digit level

Current thought is that the carrier will file these data elements in most situations

Who Can file on my behalf?

- **ISF Agents**
The ISF Importer, as a business decision, may designate an authorized agent to file the Importer Security Filing on the ISF importer's behalf.
- If an agent is used for ISF purposes, a power of attorney (POA) is required.
- These agreements are executed between and maintained by private parties, not by CBP.

Agents must have access to one of CBP's approved automated systems. For ISF requirements, the approved systems are the vessel Automated Manifest System (AMS) and the Automated Broker Interface (ABI).

The importer is ultimately responsible for the timely, accurate and complete submission of the ISF. Choosing your ISF Agent is an important business decision.

"The filing of an ISF does not constitute "Customs Business"

Manufacturer or Supplier – ISF10

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 imports laws, rules and regulations of the U.S. (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.

Seller (Owner)- ISF 10

- 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 a 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 the imported merchandise. See 19CFR 141.86(a)(2).
- A widely recognized commercial 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)-ISF 10

- 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(2).
- A widely recognized commercial 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.

Ship to Party- ISF 10

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 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 commercial 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.

Container Stuffing Location-ISF 10

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 “schedule” 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 commercial 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 –ISF 10

- 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 used, e.g. “factory load” shipments, provide the name/address of the manufacturer (supplier).
- A widely recognized commercial 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.

Importer of Record Number-ISF 10

- Internal Revenue Service (IRS) number, Employee Identification Number (EIN), Social Security Number (SSN), or a CBP assigned number of the entity liable for payment for all duties and responsible for meeting all statutory and regulatory requirements incurred as a result of importation.
- For goods intended to be delivered to a 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 the “importer number” on the CBP form 3461.

Consignee Number - ISF 10

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 was shipped.

The element is the same as the “consignee number” on the CBP Form 3461.

Country of Origin- ISF 10

- Country of manufacture, production, or growth of the article, based upon import laws, rules and regulation of the U.S.

This element is the same as the “country of origin” on the CBP form 4361.

Commodity HTS-6 Number- ISF 10

- 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.

Booking Party Name/Address- ISF 5

- Name and address of the party who initiates the reservation of the cargo space for the shipment.
- A widely recognized commercial 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.

Ship to Party- ISF 5

- Name and address of the first delivery-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 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 the party may be provided in lieu of the name and address. CBP will accept a DUNS number in lieu of the name and address.

Commodity HTS-6 Number-ISF 5

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The HTSUS number may be provided to the 10 digit level.

Foreign Port of Unlading-ISF 5

- Port code for the foreign port of unloading at the intended final destination.
- CBP will accept the Bureau of Census “Schedule K” codes.

Place of Delivery-ISF 5

- City code for the place of delivery
- Foreign location where the carrier's responsibility for the transport of the goods terminates.
- UNLOC codes and Bureau of Census "Schedule K" codes are acceptable.

Flexibility for Importers

- The rule provides flexibility for importers with respect to the submission of four of these data elements. Importers may submit a range of responses in their *initial filing* for each of the following elements
 - **Manufacturer (or supplier)**
 - **Ship to Party**
 - **Country of Origin**
 - **Commodity HTSUS Number**

The ISF for these elements MUST BE UPDATED as soon as more accurate or precise data becomes available and no later than 24 hours prior to the ship's arrival at a U.S. port.

NOTE: There is no timing flexibility for these elements; they must be filed 24 hours prior to lading

Flexibility for Importers

- The rule provides timing flexibility for importers with respect to the submission of the Container Stuffing Location and Consolidator (Stuffer).
- Importers may submit these elements as early as possible, but no later than 24 hours prior to arrival in a U.S. port (or upon lading at the foreign port if that is later than 24 hours prior to arrival in a U.S. port).

How and When Will the ISF Be Filed?

- **How**
 - **In the Entry Message by a Customs Broker as a single submission ISF/Entry filing. If filed as a single submission can only be transmitted by the Broker or Importer.**
 - **In the Manifest by a Carrier**
 - **As a Separate Filing by a Security Filer, Broker, or Carrier.**
- **When**
 - **8 data elements, no later than 24 Hours Prior to cargo being laden on a vessel destined for the United States.**
 - **2 data elements, must be submitted as early as possible, but no later than 24 hours prior to the ship's arrival at the U.S. Port.**
 - **5 data elements for shipments consisting entirely of foreign cargo remaining on board (FROB), and goods intended to be transported in bond (IE OR T&E), no later than 24 Hours Prior to cargo being laden on a vessel destined for the United States.**

Bill of Lading Number 11th element?

- Identifier commonly known as the “11th” data element.
- Absolutely necessary to properly link the ISF to the Customs Manifest data.
- ISF filings must be done as the “lowest” bill of lading level. CBP will accept the ISF at either the house bill of lading level or straight bill of lading level.
- A single ISF may cover multiple bills of lading provided they are all going to the same importer as part of the same shipment on the same vessel voyage.

ISF Bond Issue

- ISF Importer is required to have a bond.
 - **Ultimately liable for the timely, accurate, and complete submission.**
- Types of Bonds – Continuous Bond
 - **Basic Importation and Entry Bond**
 - **A Basic Custodial Bond**
 - **International Carrier Bond**
 - **A Foreign Trade Zone Operator Bond**
 - **NEW – ISF BOND (pending)**
- Single Entry Bond Users
 - **If ISF Importer is currently utilizing Single Entry bond it is recommend to switch to a Continuous Bond in order to facilitate the ISF filing.**

The Logical Filing Party

The Licensed U.S. based Customs Broker

- Confidentiality of importer's information is required by law
- Accountability to client
- Proficient in ever changing U.S. Customs laws and requirements
- Only party in the supply chain licensed by CBP
- Familiarity with importer's product and requirement
- A part of the importer's team

No major Carriers are planning to file the ISF 10

The Logical Filing Party

- **Accountability to client**

The Customs Broker has a special accountability to their clients. The Customs Broker is charged with the duty to look after the best legal interests of their clients in their dealings with U.S. Customs. The Customs Broker is concerned with helping their clients meet the requirements of the law rather than simply filing any kind of data, good or bad just to get the cargo out the door.

Concerns for Importers

Who Will File?

- **Importer Bears the Liability for Filing**
 - **Regardless of who transmits the data on behalf of the importer**
 - **Caution is urged in selecting a transmitter of the data**
- **Confidentiality of Data is Paramount**
- **Independent ISF Filers**
 - **Not proven in current filing environment**
 - **No query function to permit audit of their transmissions**
 - **Difficult to reconcile the ISF transmission with the information submitted at entry**

Concerns for Importers

Information Flow

- Large changes in the data flow may be required
- Obtaining additional data elements seen as the most challenging item
- Additional parties may be included, such as overseas freight forwarders
- Automation changes may be required between supplier – importer – ISF Filer
- Planning now is a must

Sources of Information

DATA ELEMENTS	IMPORTER	SUPPLIER / SHIPPER	OVERSEAS FORWARDER
MANF.	YES	YES	?
SELLER	YES	YES	NO / ?
BUYER	YES	NO / ?	NO / ?
SHIP TO	YES	YES / ?	YES / ?
STUFF LOC.	YES / ?	YES / ?	YES / ?
STUFFER	YES / ?	YES / ?	YES / ?
IOR	YES	NO	NO
CONS. IRS	YES / ?	NO	NO
C/O	YES	YES / ?	? / NO
HTS	YES	NO	NO

Concerns for Importers

What happens when Compliance date of 01/26/2010 takes effect?

- 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 has advised that if Importers are making a good faith effort to comply with ISF requirements, they will show leniency.
- During the structured review and flexible enforcement period, CBP will not issue *LIQUIDATED DAMAGES* or use the do not load (DNL) function for the simple failure to comply with the new ISF FILING (i.e. timely, accurate and complete filings.)
- A **\$5000.00 LIQUIDATED DAMAGES** claim per filing may be assessed against ISF Importers Bond if ISF filings are not timely, accurate and complete after the Flexible Enforcement Review Period ends on January 25, 2010

Questions to Consider as an Importer

- Exposure
- Where will information come from?
- Who will provide information to my filer?
- Who will file the information for me?
- When will the information be needed?
- How will the information be given to my filer?

Questions to Consider for an Importer

- Is my data secure?
- What if there are changes that need to be made to the ISF filing?
- What if a supplier ships cargo without our knowledge?
- Can my Customs Broker do my filing for me?
- Should I have the ISF filed with the entry?

When Does This Take Effect?

- The regulatory changes were published in the Interim Final Rule on November 25, 2008 and will take effect **January 26th, 2009.**
- The interim Final Rule has much the same impact as the final rule except that comments may be made to CBP. CBP is only seeking comments regarding six of the data elements and timing of transmission of same. CBP will collect comments through June 1, 2009
- All other requirements in the rule are adopted as a final rule.
- CBP has indicated that there will be a one year “informed compliance” period. CBP will show restraint in enforcing the rule as long as the importer is making a good faith effort.

FLG ISF 10+ 2 Offerings

- **Web Based Interface**
 - **Our web based interface will allow you to input the required data straight from your office. Then, we'll get this information to CBP on your behalf.**
- **FLG will enter the data for you**
 - **Simply get the required 10 + 2 elements to us, and we'll complete the forms for you and send them on to CBP.**

Resources

- Additional ISF resources may be found on www.Cbp.gov
- Outreach Events
 - **CBP is hosting trade outreach events in various locations around the country to provide the trade community with an opportunity to learn more about the new Importer Security Filing and Additional Carrier Requirements (a.k.a. ISF/"10+2") interim final rule.**

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