

SITPRO

Simplifying International Trade

U.S. Security Initiatives

Update for exporters to the USA, January 2010

Compliance with the United States pre arrival trade data regulation for non-bulk cargo shipments commonly known as the “10+2” initiative (Importer Security Filing) becomes mandatory on 26th of this month (January). Although importers and vessel operating carriers are the parties which have to adhere to the ISF requirements, exporters need to be aware that they too have a part to play in ensuring that the goods they are exporting are not held up at the U.S. border. SITPRO recommends that exporters (which may also include their agents, representatives, freight forwarders, etc.) to the United States liaise with their importer/counterparties to ensure that they have with some of the data that makes up the ISF.

As an exporter to the U.S. you need to know how your importer is planning on accomplishing ISF and what they will ask you to do. During last year’s non-enforcement period, ISF importers have begun to look at their systems, determining best practice and identifying problem areas -this may not have been limited to the information needed for ISF. Options for importers that have already been mentioned include only using electronic POs, ensuring control of the goods by not using “D” sales terms and finding ways to control the movement of the goods, the carrier selected, etc. as much as possible for their imports.

In relation to ISF requirements, significant problems identified by importers (two of which where the exporter has a key role to play) have been:

- i) Getting all of the data early enough in the process and it being provided in a usable format;
- ii) Receiving address details as per the ISF layout (e.g. including a sub-country); and
- iii) Having a bill of lading number (i.e. the lowest AMS number). Described by some as the lynch pin on which everything else hinges, the B/L number is required because it enables CBP to link the ISF to the manifest and –when the time comes- the entry.

With growing recognition within American political spheres that 100% scanning faces a series of substantial and realistic hurdles, greater emphasis has been placed on ensuring 10+2 succeeds in risk assessing cargo entering the U.S.A. Thus, CBP is most concerned with getting the data it requires within the right timeframe (24 hours before loading) and using the least amount of force to ensure compliance: penalties (liquidated damages, do not load messages, etc.) will be issued with discretion. However, for your importer, failure to provide the ISF information –within the timeframe- may result in liquidated damages and/or CBP withholding the release of the goods.

Exporters to the U.S. need to be proactive in assisting the importers and not wait for the latter to make demands which cannot be fulfilled. Amongst other things SITPRO suggests, where these do not already exist, establishing better communication, understanding exactly what is needed from you and how and providing the importer with the relevant information as soon as it is possible. Where goods arrive to the U.S. and an ISF hasn’t been filed, CBP may effect the hold or examine option. Both of which will mean that there will be delays in the release of the goods.

Importer Security Filing (10+2): Who? What? When? How?

Who is Required to Submit the ISF?

The “party causing the goods to enter the limits of a port in the United States” is the person responsible for submitting the Importer Security Filing. Known as the “ISF Importer” they are ultimately responsible for the timely, accurate and complete submission of the ISF filing and is:

- The owner, purchaser, consignee, or agent (e.g. customs broker)
- For foreign cargo remaining on board (FROB), the vessel operating carrier
- The party which files the immediate exportation (IE), transportation and exportation (T&E) or foreign trade zone (FTZ) documentation

What are the ISF Filing Requirements and Data Elements?

Importer Requirements:

- U.S. bound cargo (including FTZ and IT) : requires the electronic filing of 10 data elements.
- Transit cargo (FROB, IE and TE): requires the electronic filing of 5 data elements.

Carrier Requirements:

- Vessel Stow Plans required for arriving vessels with containers.
- Container Status Messages required for containers arriving via vessel.

To be filed via vessel Automated Manifest System or the Automated Broker Interface.

New Security Filing Data Requirements

ISF-10 “US Bound” Cargo	ISF-5 “Transit” Cargo	Additional Carrier Requirements
<p>(3461 Entries, IT, FTZ)</p> <p>24 Hrs Prior to Lading*</p> <ol style="list-style-type: none"> 1. Importer of Record Number 2. Consignee Number 3. Seller (Owner) name/address 4. Buyer (Owner) name/address 5. Ship to Party >6. Manufacturer (Supplier) name/address >7. Country of Origin >8. Commodity HTS-6 <p>ASAP, But NLT 24 Hrs Prior to Arrival</p> <ol style="list-style-type: none"> 9. Container Stuffing Location 10. Consolidator (Stuffer) name/address <p>> Must be linked together as a line-item at the shipment level</p> <p>*ISFs for “exempt” break bulk shipments are required 24 Hrs prior to arrival.</p>	<p>(FROB*, IE, TE)</p> <p>24 Hrs Prior to Lading*</p> <ol style="list-style-type: none"> 1. Booking Party name/address 2. Ship to Party 3. Commodity HTS-6 4. Foreign Port of Unlading 5. Place of Delivery <p>*FROB ISF-5 is required anytime prior to lading</p>	<p>Vessel Stow Plan</p> <p>NLT 48 Hrs After Departure*</p> <p>*Anytime prior to arrival for voyages less than 48 Hrs</p> <p>Container Status Message (CSM) Data</p> <p>Within 24 Hrs of Creation or Receipt</p> <p>Link to Comparison Slide</p>



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The data elements of note for exporters are:

3. Seller (or owner) name and address

- Name and address of the last known entity who sells or agrees to sell the goods – must be consistent with the information required on the invoice.
- If the goods are to be imported other than as a purchase, the name and address of the owner of the goods must be provided.

6. Manufacturer (or supplier) name and address

- Name and address of the entity that last manufactures, assembles, produces or grows the commodity.
- Or the name and address of the supplier of the finished goods in the country from which the goods are leaving.
- Or the name and address of the manufacturer (or supplier) that is currently required by U.S. entry procedures may be provided - this is the information that is used to create the existing manufacturer identification number for entry purposes.

7. Country of Origin

- Country of manufacture, production, or growth of the commodity - the same as the country of origin for other CBP declarations.

9. Container stuffing location

- Name and address(es) of the physical location(s) where the goods are stuffed into the container.
 - The scheduled stuffing location may be provided.
 - This may be the same name/address as the manufacturer
 - For “factory load”, the name and address of the factory should be provided

10. Consolidator (or stuffer) name and address

- Name and address of the party who stuffed or arranged for the stuffing of the container.
 - Where a consolidator isn’t used, e.g. “factory load” shipments, the name/address of the manufacturer (supplier) should be provided.

Address information

- Widely recognized, commercially accepted, identification numbers may be used as an alternative to names and addresses. For example, CBP will accept DUNS numbers for the following:
 - Seller
 - Buyer
 - Manufacturer
 - Ship To Party
 - Container Stuffing Location
 - Consolidator
 - Booking Party
- Although postal code information conditional, if a country uses postal codes, it will be required.

When does the ISF need to be filed?

The ISF needs to be filed 24 hours prior to loading. This is measured as:

- The vessel departure date minus 24 hours

CBP began by using the first bill of lading file date as a proxy indicator of ISF timeliness because the B/L has to be filed at least 24 hour prior to vessel lading under the current 24 Hour Manifest Rule. However, in light of many bills actually being filed several days in advance of this date, some ISFs were being incorrectly deemed “untimely”. As a result, CBP is now using the vessel departure date minus 24 hours to better assess ISF timeliness.

How does the ISF need to be filed?

Structure of ISF-10 Filing

- ISF Filer: ABI Filer Code or AMS Filer Code (SCAC)
- ISF Importer: Importer ID#* (CBP 5106)**
- Bond Holder: Importer ID# **and** Bond Activity Type (1, 2, 3, 4)
If bond activity type 1, Subtype 8 (continuous)
Subtype 9 (STB) **and** Surety Code
- Bill of Lading#: SCAC/bill # at house or regular (simple, straight) level
- Flexible Filing Option: Default is “No”. May select “Yes”

1. Importer of Record#:	Limited to one per filing		
2. Consignee#:	Multiple	3. Buyer (Owner)	Multiple
4. Seller (Owner)	Multiple	5. Ship To Parties	Multiple
6. Manufacturer (Supplier)	Multiple/Linked	7. Country of Origin	Multiple/Linked
8. HTS-6	Multiple/Linked	9. Container Stuffing Loc.	Multiple
10. Consolidator (Stuffer)	Multiple		

Note: Container Numbers and Master Bill of Lading Numbers are OPTIONAL.

*In most cases, the ISF Importer and the Importer of Record Number will be the same.

**The ISF Importer must ensure that their importer ID number has been registered with CBP via the CBP Form 5106 process.



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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

- Manufacturer (Supplier) name/address
- Ship to Party
- 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

Identification of:

- Supply Chain Entities
- Cargo Descriptions
- Cargo Origins
- Container Routing
- Conveyance Routing



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