

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee: In-bond Working Group Government Issue Paper

April 2020



U.S. Customs and
Border Protection

Office of Field Operations, Cargo and Conveyance Security
In-bond Working Group
April 2020

Action Required:

- Informational Only

Background:

- The in-bond regulatory package was published on September 28, 2017. After discussions with Trade Groups, implementation of the regulations was pushed back 6 months;
 - July 2, 2018 – Paper CBP Form 7512 will no longer be accepted for input into ACE; Electronic filing will be responsibility of the Trade;
 - Shipments arriving in the U.S. by air will not require electronic reporting until air in-bond regulations are rewritten
- To alleviate trade concerns, the In-Bond Working Group was established to assist CBP with implementing requirements and establish a model for modernized in-bond processes, automation and regulation.
- As part of the consultation with the trade through the working group, CBP determined that the initial implementation dates needed to be extended further.
- For the remaining regulatory changes, additional extensions were granted moving much of the implementation back to February 4, 2019. Due to the government shutdown, that date has been extended pending discussion with the In-bond working group.
 - Electronic reporting of all transactions will be mandatory and ACE edits will be turned on.
 - In-bond shipments originating in a mode other than air will still be allowed to be arrived on paper until that date.
 - Electronic arriving and export filers will be allowed 2 additional days to report without penalty.
 - The implementation of the 6-digit HTS requirement for description of in-bond shipments is being suspended to allow for a full review of the requirement and its implications on trade.
 - Most of the regulatory requirements were mandated as of July 29, 2019 with limited issues reported in the first week.
 - An additional mandatory date for FIRMS code changes is forthcoming but no date has been established.
- CBP is working to identify technical solutions to some of the problems identified by trade partners and continue to identify existing solutions available. CBP is also working on enhancing reports both generally and for in-bond reporting to allow better visibility into in-bond usage;
- The Office of Field Operations issued an updated (version 2.1) in-bond Business Process document to assist filers and CBP with in-bond questions.
 - The working group is working to identify updates and improvements to the document and other in-bond documentation.
- OFO has worked collaboratively with the working group in multiple conference calls to identify solutions and provide return on investment estimates to help shape and prioritize de final recommendations and a white paper outlining a proposed future-state for in-bonds

- These recommendations are consistent with CBP automation and process goals and support the direction of the in-bond program.
- The white paper is intended to be incorporated into the 21st Century Framework reporting.

Issue:

- By utilizing both CBP Subject Matter Experts and a varied group of industry experts, this workgroup is being established to identify CBP and trade issues with in-bond automation, operational requirements and regulatory framework.
- One goal is to identify current best practices and existing requirements that provide the most efficient utilization of resources and provide the best security for both revenue protection and national interests.
 - Current regulatory requirements will also be discussed in an effort to provide feedback to the regulatory reform efforts of COAC and CBP.

Next Steps:

- Finalize working group recommendations for next COAC meeting and finalize white paper outlining future state.
 - The white paper with CBP comments are planned for incorporation into the CBP 21st Century Framework reporting.

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