

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Intelligent Enforcement Subcommittee
Bond Working Group**

November 2022



**U.S. Customs and
Border Protection**

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Office of Trade/Trade Policy & Programs
Intelligent Enforcement Subcommittee
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Action Required: Informational

Background:

- U.S. Customs and Border Protection (CBP) is implementing risk-based bonding by leveraging our existing authorities to develop a sustainable approach with focus on near-term deliverables.

Issue:

- The Bond Working Group recommended that CBP update Customs Directive 3510-004, Monetary Guidelines for Setting Bond Amounts.

Current Status:

Risk-Based Bonding Initiative

- CBP completed several near-term deliverables such as:
 - Issued guidance that provides CBP field personnel with information about verifying bond amounts for Temporary Importation under Bond (TIB) entries.
 - Fulfilled the internal communication strategy for bond education by conducting monthly bond webinars through fiscal year (FY) 22, which increased the number of CBP personnel trained on bonding authority and enforcement options.
- CBP is working to complete the remaining initiatives:
 - Issuing a Cargo Systems Messaging Service (CSMS) message for the trade with information about verifying bond amounts and requests for additional security for TIB entries, to correspond to the recently issued internal guidance.
 - Advancing the Notice of Proposed Rulemaking (NPRM) to incorporate eBond in 19 CFR 113 Regulations, to update eBond functionality from a test to a requirement, eliminate the majority of paper bond processing, and ensure bonds are on file.
 - Finalizing guidance that provides CBP field personnel with information about the proper submission of various types of bonds to CBP by eBond and non-eBond participants and guidance on Informal Entry bond requirements.

Monetary Guidelines on Setting Bond Amounts

- The COAC Bond Working Group completed review of Customs Directive 3510-004, Monetary Guidelines for Setting Bond Amounts in the 15th Term. CBP is finalizing review with the intent to publish the updated internal directive and corresponding external guidance document by the first quarter calendar year (CY) 23.

Automated Commercial Environment (ACE) eBond Enhancements

- CBP is meeting biweekly with the Trade Support Network (TSN) to draft Requests for Development (RFD) to incorporate remaining bond types into ACE eBond. The 15th Term COAC Bond Work Group previously submitted recommendations for the incorporation of

four additional types of bonds in eBond to include (in order of priority): Importer Security Filing (ISF), Department of Transportation (DOT), International Trade Commission (ITC), and the Intellectual Property Right (IPR) bonds.

- The ISF RFD has been completed by the TSN and submitted to CBP's Business Transformation and Innovation Division for presentation at the Product Management Committee (PMC) meeting in January 2023.
- The DOT RFD is currently being drafted.

Next Steps:

- CBP is working to publish the Monetary Guidelines on Setting Bond Amounts by the first quarter CY 23.
- CBP will continue to collaborate with TSN to finalize the DOT RFD and begin work on the remaining RFDs.
- CBP will issue a Cargo Systems Messaging Service (CSMS) message with guidance for the trade about verifying bond amounts and requesting additional security for TIB entries.

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