

# Importer Security Filing and Additional Carrier Requirements



## “10+2” Program Update

**March 10, 2010**



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# What is the Security Filing?

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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 advance trade data to CBP pursuant to Section 203 of the SAFE Port Act of 2006 and section 343(a) of the Trade Act of 2002, as amended by the Maritime Transportation Security Act of 2002, for non-bulk cargo shipments arriving into the United States by vessel.

## Importer Requirements:

**U.S.-bound Cargo** (Includes FTZ and IT) : requires the electronic filing of an Importer Security Filing (ISF) comprised of **10 data elements**.

**Transit Cargo** (FROB, IE and TE): requires the electronic filing of an Importer Security Filing (ISF) comprised of **5 data elements**.

## Carrier Requirements:

**Vessel Stow Plans** required for arriving vessels with containers.

**Container Status Messages** required for containers arriving via vessel.



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# “10+2” Interim Final Rule

- **Effective Date**: The interim final rule (IFR) took effect on January 26, 2009 (60 days after the publication date) and allowed for certain “flexibilities”:
  - Timing of transmission for **2 of the 10** elements
  - Range of responses for **4 of the 10** elements
  - **All other requirements in this rule were adopted as a final rule.**
- **Compliance (Enforcement) Date**: **January 26, 2010**
  - The IFR “flexibilities” will stay in effect until the structured review is completed and a decision on keeping, modifying or removing them is made by DHS, OMB and other executive branch agencies.



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# New Security Filing Data Requirements

## ISF-10 “U.S.-bound” Cargo

## ISF-5 “Transit” Cargo

## Additional Carrier Requirements

### (3461 Entries, IT, FTZ)

24 Hrs Prior to Lading\*

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

ASAP, But NLT 24 Hrs Prior to Arrival

9. Container Stuffing Location
10. Consolidator (Stuffer) name/address

➤ Must be linked together as a line-item at the shipment level

\*ISFs for “exempt” break bulk shipments are required 24 Hrs prior to arrival.

### (FROB\*, IE, TE)

24 Hrs Prior to Lading\*

1. Booking Party name/address
2. Ship to Party
3. Commodity HTS-6
4. Foreign Port of Unlading
5. Place of Delivery

\*FROB ISF-5 is required anytime prior to lading

### Vessel Stow Plan

NLT 48 Hrs After Departure\*

\*Anytime prior to arrival for voyages less than 48 Hrs

### Container Status Message (CSM) Data

Within 24 Hrs of Creation or Receipt

ISFs must also have the lowest bill of lading number that is referenced in AMS on the electronic manifest.



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# ISF-10 Filing Requirements

- All ISF filings are to be done electronically via vessel Automated Manifest System (AMS) or the Automated Broker Interface (ABI).
- There will be no paper forms (e.g., CBP Form 3461 equivalent)

CBP is not creating an internet-based web portal to accept the ISF filings. However, some service providers allow self-filers indirect access to CBP systems. **Contact a CBP Client Representative at 571-468-5500 to discuss self-filing options.**



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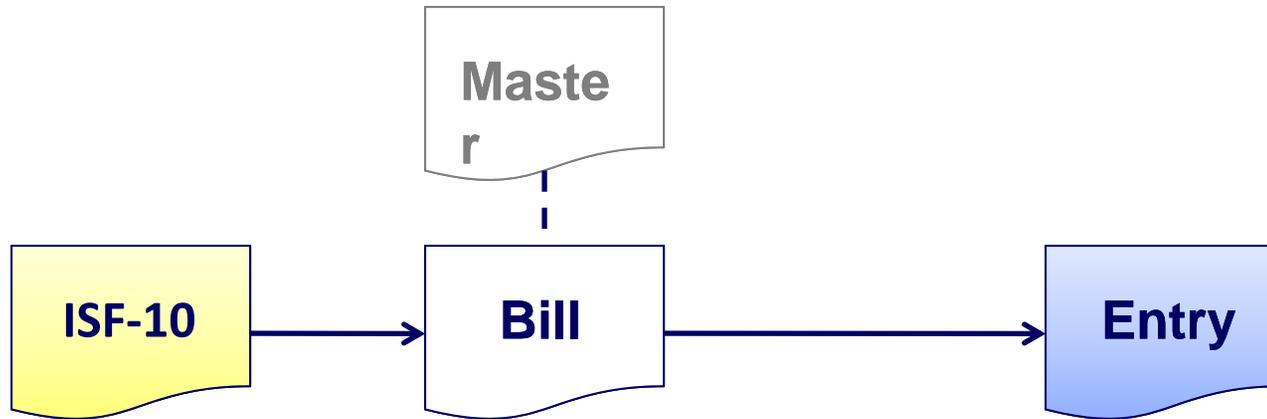
# ISF-10 Filing Parameters

- One ISF Importer per filing
- One Importer of Record Number per filing
- Must be part of the same “shipment”
- Must be arriving on the same vessel/voyage
- A single ISF may cover multiple bills of lading
- While ISF filings may naturally match up with CBP Form 3461 Entries, there is no actual requirement that they do so
- **ISFs are to be done at the “lowest” bill of lading level that has been (or will be) recorded in the vessel AMS system. CBP will accept an ISF at either the house bill of lading level or regular (i.e., simple, straight) bill of lading level.**



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# Simple ISF Supply Chain



One-to-One Relationship

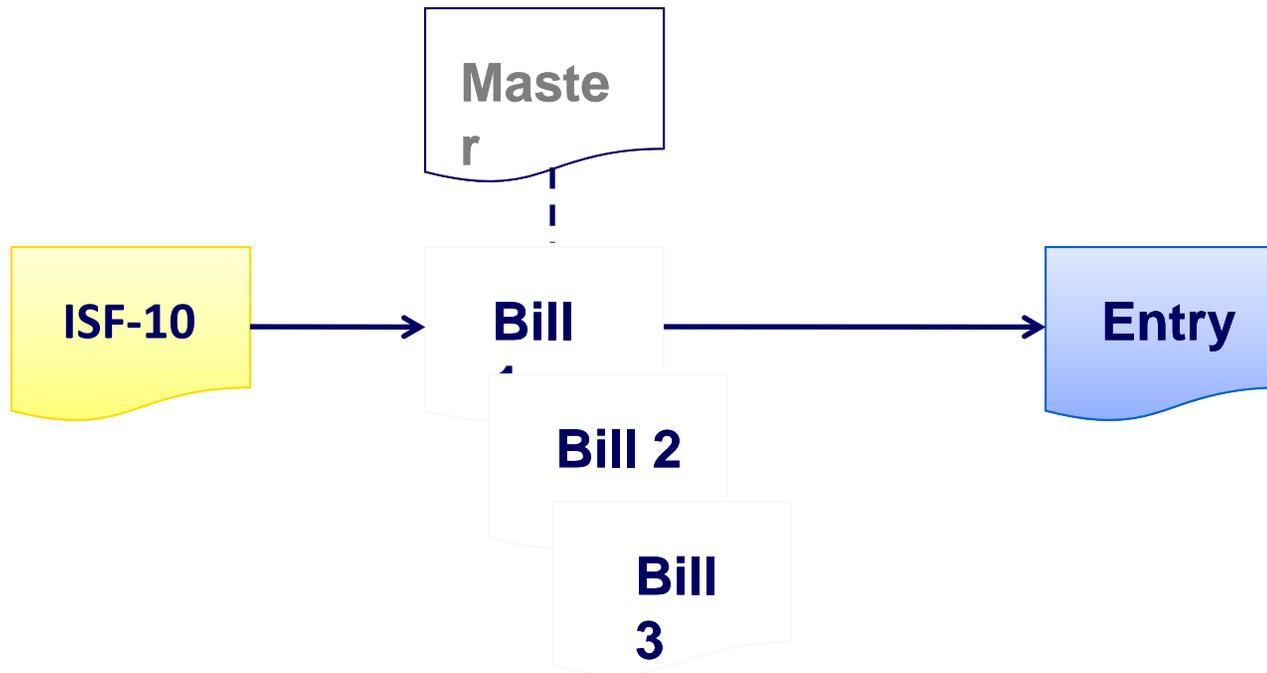
A “unique” ISF is a combination of the Importer of Record # and the lowest AMS bill of lading number(s)



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# More Complex ISF Supply Chain

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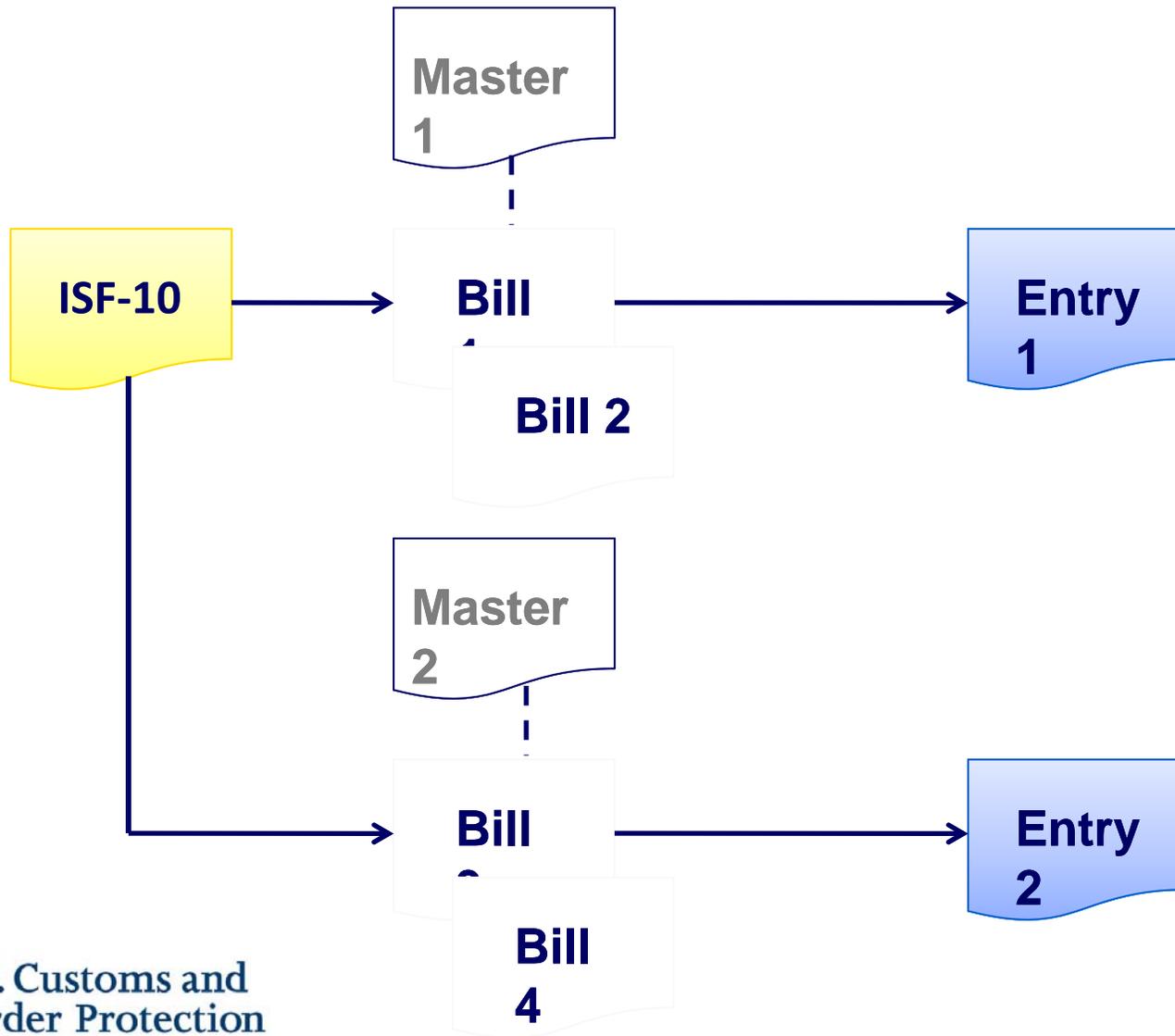
One ISF can cover multiple bills as long as they are part of the **same shipment** going to the **same importer of record** and arriving on the **same vessel/voyage**.



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# One ISF Becomes Multiple Entries

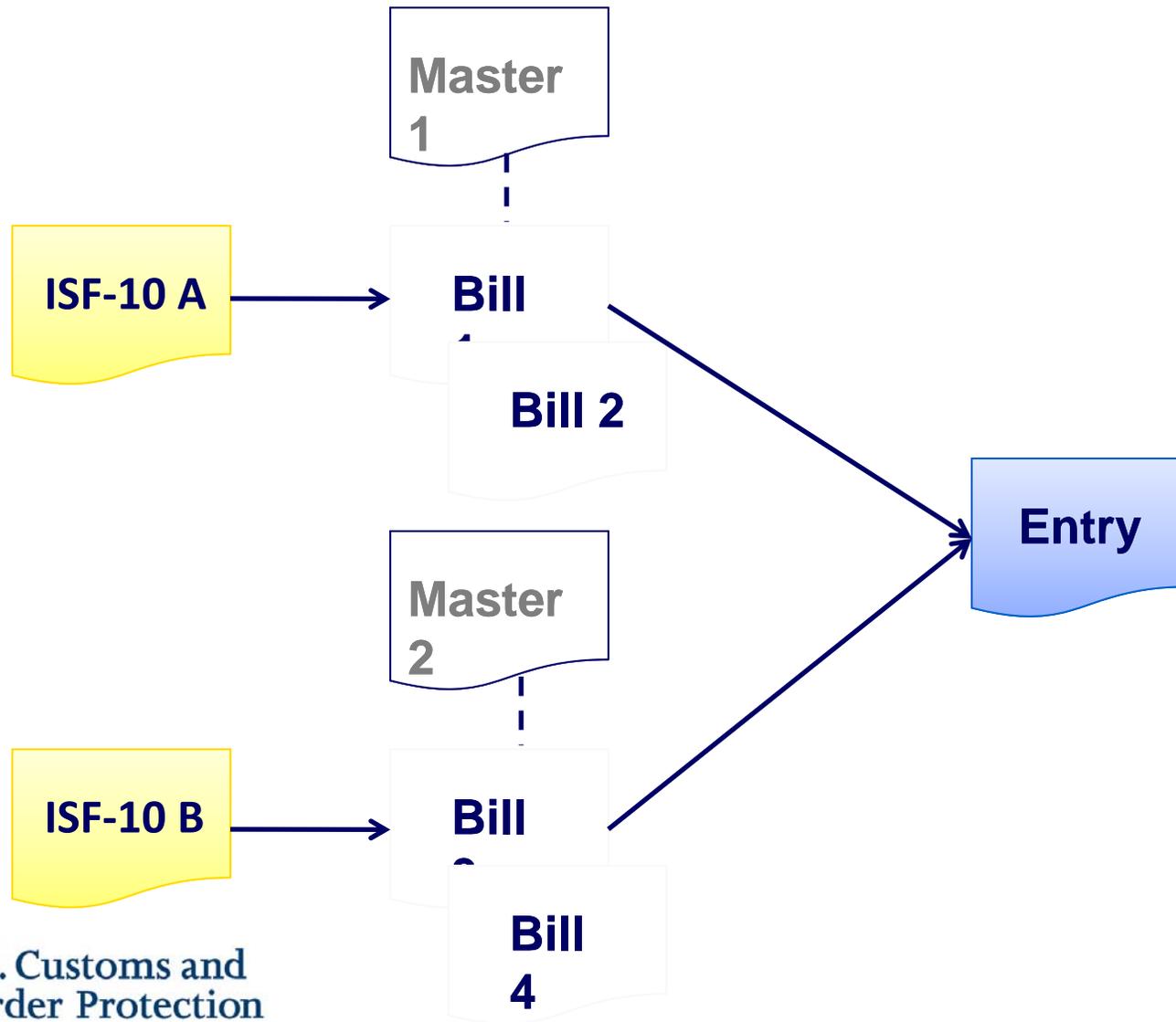
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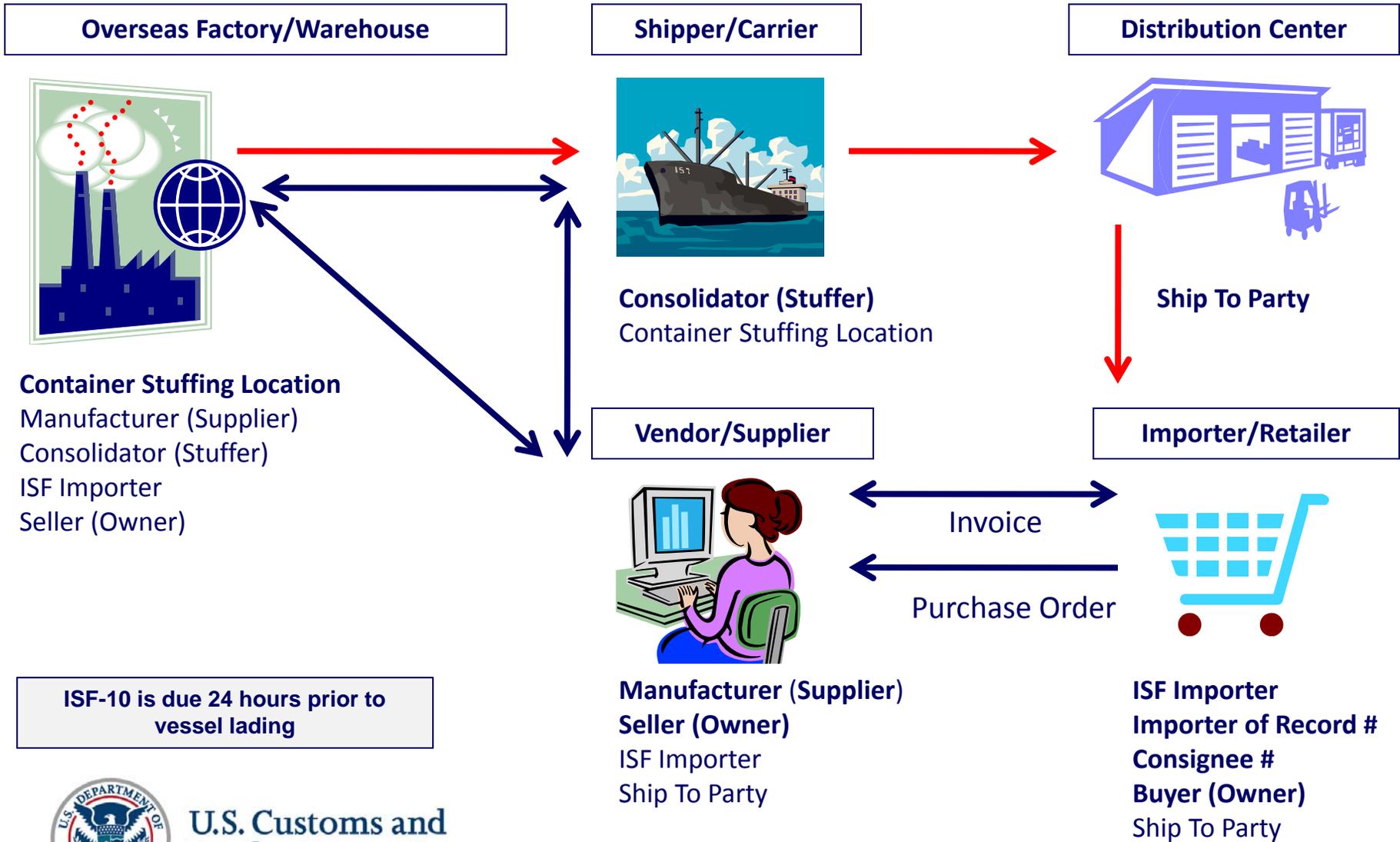
# Multiple ISFs to One Entry

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# From Order to Delivery



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# ISF Best Practices Outreach

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- Since the publication of the Interim Final Rule, CBP has implemented an extensive trade outreach process which included numerous trade round table discussions, the issuance of monthly progress reports, publishing technical guidelines as well as FAQs documentation on the CBP web site.
- CBP has participated several 20 webinars, meetings, conferences, and other outreach activities sponsored by the trade since the publication of the interim final rule.
- CBP has met with numerous trade organizations including:
  - [American Association of Exporters and Importers \(AAEI\)](#)
  - [The Departmental Advisory Committee on Commercial Operations of Customs and Border Protection and Related Homeland Security Functions \(COAC\)](#)
  - [National Customs Brokers and Forwarders Association of America \(NCBFAA\)](#)
  - [National Association of Manufacturers \(NAM\)](#)
- Overall, CBP reached well over 20,000 participants at these outreach activities.

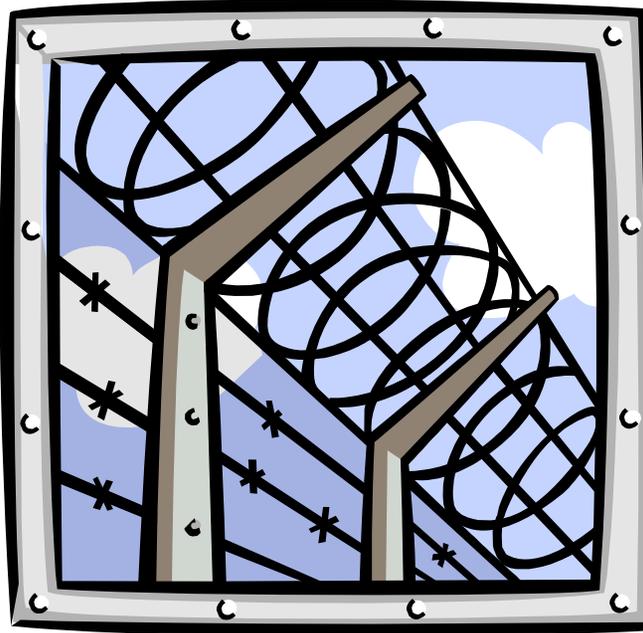


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# Mitigation Guidelines

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- Liquidated damages cannot be assessed for the failure to file an ISF if no bond is in place. **However, CBP may also withhold the release or transfer of the cargo** until CBP receives the required information and has had the opportunity to review the documentation and conduct any necessary examination.



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# Mitigation Guidelines

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## ▪ Mitigating Circumstances

- Evidence of progress in the implementation of the ISF requirement during the flexible enforcement period (i.e., January 26, 2009 through January 26, 2010)
- Small number of violations compared to the number of shipments for which ISFs were required
- **Tier 2 or Tier 3 C-TPAT member** may receive additional mitigation

## ▪ Aggravating Circumstances

- Lack of cooperation with CBP or CBP activity is impeded with regard to the case
- Multiple errors on the ISF

**No relief will be granted if CBP determines that law enforcement goals were compromised by the violation.**



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# Security Filing Enforcement Strategy

The full compliance (enforcement) date for the “10+2” requirements commenced on **January 26, 2010**, thus ending a 12-month delayed enforcement period in which CBP provided extensive outreach to educate the trade community on the new requirements.

- **CBP will continue to provide outreach and guidance beyond the start of full compliance**
- **CBP will exercise the least amount of force necessary to obtain full compliance**
- **CBP will apply a measured, commonsense approach to enforcement**
- **CBP HQ will review all actions for the first year**



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# ISF Progress Reports

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- The ISF Progress Reports focus on the numbers and types of filings; the status of the filings (e.g., accepted vs. rejected) and the potential timeliness of the filings
- Each ISF Report is broken down by Filer Code and Importer of Record Number and details three (3) specific areas:
  - **Submission Volume**
    - Numbers, Status (Accepted or Rejected) and Format
  - **Rejection Error Messages**
    - Reasons for the rejections
    - Error codes
  - **Timeliness Performance**
    - As compared to the first bill of lading file date (merely used as a proxy indicator of potential timeliness)
    - Amendment and rejected filings are not included



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# ISF Progress Reports

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- In production since May 10, 2009
- ISF Reports are being routed through the ISF Filers and Tier 3 & Tier 2 C-TPAT Importers
  - Registration is required
  - Over **1,105 ISF Filers** have been registered and “verified”
  - The ISF Progress Reports cover more than **122,251 ISF Importers**
  - C-TPAT Importer Progress Reports – **385**
  - C-TPAT IORs represented – **1,452**
- Reports are on a monthly cycle
- CBP has also developed a specific Filer-based summary report

[Progress\\_Report@cbp.dhs.gov](mailto:Progress_Report@cbp.dhs.gov)



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# Top ISF Issues Identified

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## Bill of Lading Numbers:

- Initially, some ocean carriers were not providing the bill numbers timely (i.e., until a vessel had actually sailed). Most of these issues have been resolved.
- Need to identify the **lowest AMS** bill of lading number (i.e., house or regular/simple bill).
- If dealing with a non-automated freight forwarder, you most likely need to provide the ocean carrier's "regular/simple" bill.



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# Top ISF Issues Identified

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## Bill of Lading Numbers:

- **Regular Bill** – is defined as a non-Master bill of lading issued by a Vessel Operating Common Carrier with **NO UNDERLYING** house bills. This bill type is also referred to as “Straight Bill” or “Simple Bill”.
- **House Bill** – is defined as a bill of lading issued by a Non-Vessel Operating Common Carrier or Freight Forwarder to a customer as a receipt for the goods being shipped with other cargo as one consignment.
- **Master Bill** – is defined as an ocean bill of lading issued by a Vessel Operating Common Carrier covering at least one or more underlying house bills of lading.



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# Top ISF Issues Identified

## Measurement of ISF “Timeliness”

- CBP began measuring timeliness by using the first bill of lading file date as a proxy indicator of ISF timeliness since the bill of lading must also be filed at least 24 hours prior to vessel lading under the current 24 Hour Manifest Rule.
- However, many bills of lading are actually filed several days in advance of actual vessel lading. Therefore, some of the “untimely” ISFs that were showing up on the older ISF Progress Reports may actually have been timely.
- CBP is now using the **Vessel Departure Date minus 24 hours** to better assess ISF timeliness.



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# Top ISF Issues Identified

## ▪ **Enforcement & Liquidated Damages Concerns**

- \$5,000 per transmission (\$10,000 max per ISF)
- Do-not-load holds
- **CBP will use the least amount of force to enforce compliance**
  - Domestic Holds
  - Domestic Exams

## ▪ **Bonds**

- **Appendix D bonds are routinely accepted for ISF filings**
- Sufficiency questions are still being addressed
- Some coded transaction types are exempt (by policy); for example:
  - Type 03 **HHG/PE**
  - Type 04 **Government/Military**
  - Type 05 **Diplomatic**
  - Type 06 **Carnet**
  - Type 09 **International Mail**



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# **Best Practices**

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- **Know what you are importing before you import it**
  - Identify the proper HTS numbers earlier in the process
  - Consider a pre-classification system
- **Decide who will transmit the ISF and how**
  - Consider using the Unified Entry Option
- **Know your supply chain partners**
  - The Shipper has access to important information
- **Require that the new “10+2” data be collected and provided earlier in the process**
  - Add data to existing forms (e.g., purchase orders, advance shipping notices, commercial invoices, etc.)



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# Available Resources

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- Available Today on [www.CBP.gov](http://www.CBP.gov):
  - Copy of the Interim Final Rule
  - ISF Presentation
  - Copy of the Regulatory Assessment
  - General Frequently Asked Questions (FAQs) Document
  - Implementation Guides (Technical File Formats)
  - Mitigation Guidelines
  - News Releases
  - Outreach Schedule
  - Security\_Filing\_General@cbp.dhs.gov mailbox



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# Questions?

Security Filing “10+2”

Customs and Border Protection

**[Security\\_Filing\\_General@cbp.dhs.gov](mailto:Security_Filing_General@cbp.dhs.gov)**

Richard Di Nucci, Director, Cargo Control Division

John Jurgutis, Branch Chief, ISF/Vessel Manifest

Stephen Silvestri, Branch Chief, Air and Rail Manifest

Joseph Martella, Program Manager, New York Field Office

Craig Clark, Program Manager, CBP Headquarters



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# ISF 10 Data Elements



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# Importer of Record Number

- Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (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.
  - The importer of record number for Importer Security Filing purposes is the same as “importer number” on CBP Form 3461.
  - The importer of record number can be a foreign entity. However, a U.S. entity must be provided for the consignee number element.
- For goods intended to be delivered to an FTZ, the IRS number, EIN, SSN, or CBP assigned number of the party filing the FTZ documentation with CBP must be provided.



# Consignee Number

- 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 is shipped. This element is the same as the “consignee number” on CBP Form 3461.



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# Seller (Owner)

- 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 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(a)(2).
- 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.



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# Buyer (Owner)

- 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(a)(2).
- 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.



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# Ship To Party

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- 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 the 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 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.



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# Manufacturer or Supplier

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1. Name and address of the entity that last manufactures, assembles, produces, or grows the commodity; or
2. Name and address of the supplier of the finished goods in the country from which the goods are leaving
3. Alternatively, the name and address of the manufacturer (or supplier) that is currently required by the import laws, rules and regulations of the United States (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.



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# Country of Origin

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- Country of manufacture, production, or growth of the article, based upon the import laws, rules and regulations of the United States. This element is the same as the “country of origin” on CBP Form 3461.



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# Commodity HTS-6 Number

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- 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.
- Alternatively, the filer may choose to provide the HTSUS number to the 10-digit level.



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# Container Stuffing Location

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- 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 “scheduled” 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 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.



# Consolidator (Stuffer) Name/Address

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



# ISF 5 Data Elements



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# Booking Party Name/Address

- Name and address of the party who initiates the reservation of the cargo space for the shipment.
- 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.



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# Ship To Party

- 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 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 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.



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# Commodity HTS-6 Number

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- 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.



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# Foreign Port of Unlading

- Port code for the foreign port of unlading at the intended final destination.
  - **Note:** This may be the inland foreign port code for TE in-bond movements
- CBP will accept UN LOC Codes and the Bureau of Census “Schedule K” codes.
  - **MX NLD** for Nuevo Laredo, Mexico
  - **MX TIJ** for Tijuana, Mexico
  - **CA REG** for Regina, Canada
  - **CA SNI** for Sarnia, Canada



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# Place of Delivery

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



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