

CUSTOMS DIRECTIVE

ORIGINATING OFFICE: FO:TP

DISTRIBUTION: S-01

CUSTOMS DIRECTIVE NO. 3550-063A

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SUPERSEDES: 3550-063, 1/19/93

REVIEW DATE: MAY 2003

SUBJECT: AUTOMATED CLEARINGHOUSE FOR PAYMENT OF ABI DAILY STATEMENT (ACH)

1 PURPOSE. To establish a uniform, national policy for effecting payment of duties, taxes, and fees via Automated Clearinghouse (ACH).

2 POLICY. It is the policy of the U.S. Customs Service that entry summaries and entry/entry summaries paid via ACH will be processed in essentially the same manner at all locations.

3 AUTHORITIES/REFERENCES. 19 CFR 10; 24.1(a)(8); 24.25; 113.62; 142.12; and 142.15 141.101.

4 RESPONSIBILITIES.

4.1 Directors, Field Operations, are responsible for ensuring that the provisions of this Directive are carried out effectively and uniformly throughout their areas of responsibility.

4.2 Port Directors are responsible for ensuring that the provisions of this Directive are followed and uniformly applied. They are also responsible for the dissemination of the contents of this Directive to personnel within their jurisdiction.

5 PROCEDURES.

5.1 GENERAL

5.1.1 U.S. Customs offices should encourage non-sanctioned ABI brokers and importers who file entry summaries on statements to pay these individual ABI statements via ACH. Instead of paying duties with a check, firms that utilize ACH can electronically authorize the transfer of funds through debit or credit ACH no sooner than the second business day following the accepted payment date. This process requires no collection input by the cashier.

5.1.2 If a filer chooses to use ACH, he can include entry/entry summaries for quota-class and other special classes of merchandise, except for entry/entry summaries covering release of seized merchandise. Check or cash cannot be accepted for payment on ABI statements containing entries for quota-class merchandise. If a filer chooses to use statement processing for entries of quota-class merchandise and other

special classes of merchandise, he should also use statement processing as a normal course of business for the largest possible portion of his eligible non-special class entries.

5.1.3 ACH payors/participants must ensure that adequate funds are available in their respective bank accounts when electronically authorizing Customs to charge their account for the amount of the ABI statement being paid.

5.2 ENTRY/ENTRY SUMMARIES

5.2.1 SUBMISSION. Entry/entry summaries (live entries), including those for quota and other special classes of merchandise (19 CFR 142.13(b)), will be presented to the Entry Division (or other designated office) prior to release of the merchandise and after the filer time-stamps the record copy of the entry summary (CF 7501). No check will be attached and no collection copy or statistical copy of the CF 7501 is required. Payment will be subsequently made via ACH within 10 working days after the date of release, or date of presentation for quota class merchandise. Block 2 of the CF 7501 must show an ABI status indicator of "ABI/A/L." Please note: the filer is responsible for noting the status code indicator on the CF 7501. ABI entry/entry summaries are given priority at all stages of processing. Therefore, it is essential that they be noted with the appropriate status indicator. All entry/entry summaries will be transmitted in color-coded folders from the time of presentation to the completion of review and processing. Census statistical reporting for ABI entry/entry summaries is accomplished via automated interface.

5.2.2 IMPORT SPECIALIST OR ENTRY SPECIALIST REVIEW. ABI/A/L entry/entry summaries are to be processed immediately upon receipt. The appropriate import specialist or entry specialist will review the entry/entry summary in accordance with established procedures.

5.2.3 QUOTA/VISA PROCESSING. If the entry/entry summary includes quota merchandise, it must be processed through the quota system in ACS via function code QSUP according to established procedures. Quota status cannot be granted on prefiled entry/entry summaries.

5.2.4 CARGO SELECTIVITY

5.2.4.1 The entry/entry summary will be forwarded for cargo selectivity processing. Established procedures of examination and release of cargo remain unchanged.

5.2.4.2 After release of the cargo by Customs, the entry/entry summary package will not be returned to the filer for re-submission with the ABI Statement. If the reviewing Import Specialist did not indicate that the entry summary was to be returned to him/her after Quota processing and release procedures, the entry/entry summary will be

scheduled for liquidation via function ALQL. Filers may be advised to submit a photocopy of the first page of the 7501 with their ABI Statement.

5.3 PROCESSING ABI STATEMENT PAID VIA ACH

5.3.1 The ABI preliminary statement for payment via ACH is generated through ACS. The statement is available to the ABI filer the morning of the scheduled payment date established by the filer. It is the responsibility of the filer to ensure that the ABI/ACH payment authorization is submitted via ABI no later than 10 working days after the earliest date of entry or release of the scheduled entry summaries, or date of presentation for quota class merchandise.

5.3.2 SUBMISSION

5.3.2.1 All follow-up paper-required entry summaries that are being submitted on an ABI statement with payment via ACH must be presented within 10 working days from the date of entry or release. These entry summaries must have an ABI indicator of "ABI/A" in block 2 of the CF 7501. No check will be submitted and no collection copy or statistical copy of the CF 7501 is required. No collection or summary processing action is required.

5.3.2.2 The preliminary statement for payment via ACH, clearly labeled by the filer as "ACH", will be presented to the Entry Division by the filer along with the associated entry summaries and entry/entry summaries in the order shown on the statement. The filer will time-stamp the statement only (not the entry summaries) upon submission to Customs. It is essential that the statement is time-stamped upon submission in order to establish the date of presentation for purposes of determining timeliness.

5.3.2.3 No ACS input is required by Customs personnel when the preliminary statement is presented. Upon acceptance of the electronic ACH payment authorization by Customs, the final statement will be automatically generated and the statement and all underlying entry summaries will be identified as paid in ACS after end-of-day processing. ACH payors/participants are encouraged to authorize payment on the day the preliminary statement and entry summaries are submitted.

5.3.2.4 Payment authorizations **MUST** be submitted for statements with zero duties due.

5.3.2.5 The individual entry summaries will be automatically updated in ACS to reflect the appropriate payment amounts for duties, taxes or fees. There is no requirement to retain the final statement (list of entries, statement totals and list of deletions) in the collection document file for that processing day. The preliminary ACH statement may also be discarded.

5.3.2.6 The Entry Division will sort entry summaries and entry/entry summaries submitted with the statement (the Customs copy of the preliminary or final may be used for this purpose) for Census warnings, team review and bypass entries resulting from Entry Summary Selectivity. Please note: The indicators for Census warning, team review and bypass are printed on the Customs copy of the statement. Status indicators will be annotated on the record copy of the CF 7501 in accordance with instructions from Headquarters (Office of Field Operations, Trade Programs).

5.3.3 REVIEW OF NON-BYPASSED ENTRY SUMMARIES. Non-bypassed entry summaries will be reviewed for various entry summary selectivity criteria per instructions from Headquarters (Office of Field Operations, Trade Programs).

5.3.4 CENSUS STATISTICAL REPORTING. The Census Entry Summary Report (A01) must be attached to each ABI Statement entry summary paid via ACH that contains Census warning. This report is automatically generated at the time the preliminary statement is generated. If necessary, this report can be requested through remote print. These summaries must be forwarded to the appropriate reviewer in accordance with instructions from Headquarters (OFO, TP) on review of non-bypassed entry summaries.

5.3.5 BYPASS. All statement entry summaries designated for bypass liquidation during entry summary selectivity should be batched for liquidation using the Daily Statement Report-Doc/Batch (A04). This report is automatically generated. If necessary, this report may be requested through the remote print function. Ports with large volumes of bypass liquidated entry summaries on the A04 report may prefer to assign new document filing locations, via function code DOCU, rather than using the batch file locations on the A04 report to place liquidated entry summaries in a batch location.

5.3.6 DELETIONS

5.3.6.1 GENERAL

5.3.6.1.1 Deletions can be performed by the filer using the ABI "HP" transaction or by Customs using the DSAC function code. Customs will perform deletions only in cases where the filer is unable to do so. The Entry Division will be responsible for the deletion of entry summaries from statements. Entry summaries that are deleted by the filer should be "lined through" on the preliminary statement prior to submission of the preliminary statement to Customs.

5.3.6.1.2 Deletions should be requested in accordance with locally established procedures. Customs should delete the entry summaries from the statement as soon as possible so that the importer of record or the broker acting as agent may initiate payment action. The system will not accept payment if the amounts do not exactly

match the amount on the preliminary statement.

5.3.6.2 QUOTA ENTRY/ENTRY SUMMARIES IN "QUOTA ACCEPTED" STATUS

5.3.6.2.1 Quota entry/entry summaries in "quota accepted" status cannot be deleted from the preliminary statement by the filer using the ABI "HP" transaction. The filer must request Customs to perform the deletion. Quota entry/entry summaries in "quota rejected or non quota condition" status can be deleted from the preliminary statement by the filer using the ABI "HP" transaction.

5.3.6.2.2 Customs cannot delete quota entry/entry summaries in "quota accepted" status from the preliminary statement using the DSAC function code without first removing the "quota accepted" status. This can be accomplished using the function code QSCO. Once the "quota accepted" status has been removed, the quota entry/entry summary can then be deleted from the preliminary statement using DSAC. The quota entry/entry summary can then be paid either by a single payment, returned to the filer for correction, or placed on a future statement. If a quota entry/entry summary must be returned to the filer for correction, the entry/entry summary should not be placed in rejected status. The filer cannot place the entry summary on a future statement if any online entry summary or collection function has been performed against the ABI entry/entry summary.

5.3.6.3 QUOTA ENTRY/ENTRY SUMMARIES IN "QUOTA HELD" STATUS

5.3.6.3.1 Quota entry/entry summaries in "quota held" status must be paid by single payment and should not be placed on statement. If quota has been input prior to the "quota held" status, the quota must first be deleted in order to delete the entry summary from the statement. After removal from statement, quota should be re-input. (The filer should be informed that the deletion/re-input of quota may achieve a different place in the "quota hold" line.)

5.4 LATE PAYMENT OR NON-PAYMENT OF ENTRY SUMMARIES AND ENTRY/ENTRY SUMMARIES PAID VIA ACH

5.4.1 The Customs copy of the preliminary or final statement should be examined for the late filing indicator. Any entry summary with the late filing indicator should be reviewed to determine timeliness. If it is determined that the entry summary is late, a demand for liquidated damages for late filing of entry summary must be initiated.

5.4.2 If the ACH payment is not authorized and summaries are not submitted by the scheduled payment date, a claim for liquidated damages for failure to file entry summary (No-File) shall be initiated against each entry summary covered by that statement number. If the entire statement is filed late, a late statement penalty may be filed against the broker.

5.4.3 If the summaries are submitted by the scheduled payment date but the ACH payment is not authorized and the filer has advised Customs that payment will not be made, the established procedures outlined for entry summaries submitted without payment should be followed. Please note: If only certain summaries listed on the statement will not be paid, those summaries should be deleted from the statement by the filer and processed according to established procedures, and the filer should authorize the ACH payment for the balance of the statement. Customs will not delete entry summaries from a statement unless the filer is unable to do so.

5.4.4 If after the ACH debit payment is authorized and the summaries are submitted by the scheduled payment date, but the clearinghouse bank is unable to satisfy the ABI/ACH payment authorizations of a particular ACH payor on the initial attempt, the procedures for ACH defaulted payments should be followed.

5.4.5 If after the ACH payment is authorized and the summaries are submitted by the scheduled payment date, the ACH processor notifies Customs of a defaulted payment (debit voucher), the Accounting Services Division (ASD) will initiate the established procedures regarding ACH defaulted payments.

5.4.6 If the ABI/A entry summaries are submitted by the scheduled payment date but the ACH payment authorization is submitted after the scheduled payment date, a claim for liquidated damages for late payment of duties should be generated. However, if both the entry summaries are not filed AND the payment is not authorized, then claims for liquidated damages for failure to file entry summaries should be initiated (i.e., no file liquidated damages).

5.5 PORT DIRECTOR. As per 19 CFR 141.101, 19 CFR 132.11a, and 19 CFR 24.25, a Port Director may elect to disallow the filing of entry/entry summaries on ABI statement for filers who have failed repeatedly to make timely payment as required through the statement processing method. If, after contacting the Customs Management Center (CMC), a Port Director elects to disallow the filing of entry/entry summaries on ABI statement, the Port Director shall notify the filer's Customs ABI client representative of the action taken.

6 MEASUREMENT.

6.1 Number of entry summaries scheduled for ACH payment appearing on the B08 report (Late Report: These Entry Releases Have No Follow-Up Summaries) that remain unresolved after 14 days.

6.2 Number of entry summaries scheduled for ACH payment appearing on the B07 report (ACS List of Unpaid Entries Report) that remain unresolved after 14 days.

Assistant Commissioner
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