

eSTB/eBond Frequently Asked Questions

The purpose of this FAQ document is to provide the Trade community with answers to questions related to the eBond process that will be available on January 3, 2015. eBond is the electronic mechanism for the submission of Customs Bonds from a Surety to ACE via electronic data interchange (EDI) to be stored and used for various downstream processes and transactions for which a bond is required. By building eBond, CBP hopes to realize the following benefits for the Trade stakeholders and CBP:

- Reduction of paper processing;
- Expedited release of cargo;
- Expansion of bond issuance to beyond regular business hours;
- Provide a single mechanism for the centralization of bonds, including a single place to locate any bond starting after eBond deployment; and
- Increase traceability of bonds for audit purposes.

General

Q1. Does CBP already have the eBond module built?

A. CBP does not already have an eBond module and is currently being built to be ready by 1/3/15 as planned.

Q2. Is CBP confident the eBond module is going to be ready to launch on 1/3/15?

A. Yes. CBP is confident we are on track with development to implement eBond in ACE by 1/3/15.

Q3. Is this eBond module being built from the ground up?

A. Yes. It is being built from the ground up with continued feedback from the trade and subject matter experts (SMEs) through the agile development process.

Q4. When will eBond become mandatory?

A. eBond will be required for ACE transactions which require a bond, such as ACE Cargo Release. eSTB and eBond are part of Increments 5, 6, and 7 which are scheduled for deployment in January 3, 2015. ACE will implement validations on inbound ACE transactions (ACE Cargo Release/Simplified Entry, ACE Entry Summary, ACE Manifest, etc) where, if a Bond is required

for that transaction, and no bond is found on file in ACE, that transaction will be rejected. This will apply to the following Cargo Release processing:

- 1) ACE Cargo Release followed up with an ACE Entry Summary.
- 2) ACE certified from Summary with ES Cargo Release Certification Indicator set to 'A' (ACE).

Q5. Do we have enough time for testing built in? Do we know how many sureties we will be interfacing with?

- A. CBP will be constantly monitoring the timeline needed to successfully implement this change for all parties. CBP currently only receives bonds from 10 to 15 sureties or surety agents.

Q6: If you are still filing entries via ACS, will you be able to use eBond?

- A. No. If a paper entry is submitted via ACS with a STB, a paper STB will need to accompany it just like it does today.

Q7. Will paper bonds still be filed after January 3, 2015?

- A. Paper bonds will still be required for entries filed in ACS and should be submitted with the entry package filed with the port.

Q8. How does an eBond get into ACE?

- A. A bond may be entered into ACE in one of two ways: (1) submission of an electronic bond (STB and Continuous) into ACE via EDI from the surety/surety agent; or (2) input of a bond (STB or Continuous) into ACE manually by CBP's Office of Administration through procedures and timeframes established by the Office of Administration.

Q9. Will a CBP validation of the STB amount be done in ACE or will the entry filer make the STB amount computation?

- A. The computation of the STB amount will need to be done by the entry filer. The initial launch of eBond will not include sufficiency edits as more functionality in ACE must be deployed in order for that to be accurately implemented. However, the ports will have the opportunity to review the bond amount and reject the entry if the bond is not sufficient. The Office of Administration will also be performing quality control checks in order to verify compliance with the required bond formulas.

Q10. Will a broker/filer be able to re-submit the Cargo Release/Entry Summary Data with a new value which would cause the original bond amount to not be sufficient and would need to be adjusted?

A. If the bond amount needs to be adjusted based on a new value, then a user can submit through the original bond surety/surety agent a request for a bond amount adjustment any time between entry and when the entry summary is filed.

Q11. Will the bond process have to be integrated into a broker's ABI software or could a broker or self-filer file the STB data to a surety via the sureties' own system? After getting a positive response from the Surety could the broker just send his regular entry data to ACE?

A. The bond will only be received from the sureties' system. The business relationship between the surety and the broker or importer is not CBPs business. The broker will still submit the entry data through the normal ABI process. The broker/filer ACE software vendor may interface with a surety company to obtain a STB. An alternate way is for the broker/filer to use the surety company's software to produce the bond, allowing the surety to send the message to CBP and the broker simply files the entry with either their ACE software vendor or their own ACE proprietary software system.

Q12. Will this have any impact on ISF bonds?

A. Yes. We envision that all ISF STBs will be filed electronically.

Q13. If the importer does not have a continuous bond on file, will an e-bond be an option for the ISF coverage on ocean shipments?

A. They will be able to submit a unified filing for the entry and ISF utilizing eBond.

Q14. Some brokers/filers use more than one surety, will that be an issue?

A. No.

Q15. Will there still be a print option?

A. No, with the exception potentially in the downtime procedures.

Q16. If your entry goes “Docs Required”, will CBP know there is or isn't a STB on file if it's not printed?

A. The entry will indicate whether there is an STB in the system. The CBP personnel reviewing the file will be able to look in ACE to verify. The entry will not pass the edits if the bond hasn't been received.

Q17. Will the broker/filer have to submit any documentation regarding STB with the entry package?

A. No, not for entries submitted in ACE.

Q18. Under the current STB Process, the entry jacket is always submitted with a CBP and a Surety copy of the STB both for clearance and 10th day presentation. This forces the bond to be on file with the port as it is always available as a hardcopy document. I can't see why this current system should be changed.

A. Although this is not posed as a question, CBP believes that the current business model is not an efficient way to conduct business. The bond isn't just utilized at the port of entry, but is also necessary for potential debt collection matters which are carried out by other CBP personnel. Modernizing this process is also critical in CBPs ability to report to Congress.

Q19. Will there be a process to cancel a STB posted at release in error?

A. Although it is the policy of CBP to not cancel/give back bonds, CBP understands that there will be very limited circumstances where a bond has been given in error. There will be an option to void a single transaction bond prior to being matched with the entry.

Q20. Will there be a process to post a STB to an entry summary released on a continuous bond after release?

A. Yes. If a STB needs to be filed, then the surety/surety agent can send in an additional bond related to that entry summary.

Q21. If CBP pushes out the deadline for the trade community to move into ACE from ABI/ACS, how will that impact implementation of e-Bond?

A. We will keep everyone apprised of the ACE implementation dates. However, once eSTB/eBond is up and running and the entry is being filed in ACE, CBP is expecting that the bond is filed electronically.

Q22. What is the process for obtaining a lower bond amount for unconditionally duty free entries?

- A. You will need to work with the surety you originally filed the STB with to adjust the bond amount. This can only be done in between entry and entry summary.

Q23. What happens when CBP requires a different bond amount at summary?

- A. An additional bond or a bond amount adjustment will need to be submitted.

Q24. Will there be the ability to secure and send an STB independent from the entry filer and still link to the entry for release? Broker A, Broker B relationships.

- A. In an eBond environment, an out port broker will no longer be necessary because filer can process the entry under Remote Location Filing (RLF) with an eBond. This is new functionality that eBond will support so a continuous bond will no longer be required for RLF entries but the bond will have to be filed via eBond.

Q25. If an eBond is prepared prior to the arrival of the cargo and it is dated earlier than release, will this cause a problem as the dates will not match? Bond Date vs. Arrival Date?

- A. No. CBP recognizes that the bond may be submitted several days before the filing of the entry. eBond anticipates that brokers may request bond approval prior to the arrival of the cargo.

For Brokers

Q26. How can a broker receive notification that a bond is on file?

- A. When transmitting information to the surety/surety agent, you will need to include your Office Routing Number as a secondary notify party. Once the bond is on file with CBP, any SNP listed will receive the notification that the bond is on file.

Q27. Will there be any restrictions for STB's for Foreign IOR's?

- A. This will be based on the surety and broker relationship and CBP will not be involved in this decision. This would depend on the surety issuing authority given to their CHB clients.

For Self-Filers

Q28. What is the work flow when no broker is involved?

- A. A self-filer should contact a surety/surety agent directly to obtain a bond and to understand their process. CBP is aware that the surety associations are developing a standardized way to interact with them. However, how the bond gets filed with CBP will depend on the surety/surety agent chosen by the self-filer. Also, if the importer chooses to operate in a completely electronic environment, the importer will need to be communicating with their Software Vendor that they use for self-filing to ensure that vendor has the capabilities (and a plan) to develop an interface with the appropriate Surety(s).

Q29. How can a self-filer receive notification that a bond is on file?

- A. When transmitting information to the surety/surety agent, you will need to include your Office Routing Number as a secondary notify party. Once the bond is on file with CBP, any SNP listed will receive the notification that the bond is on file.