



## Q&A

If you have questions during the webinar, please type them into the Q&A pod. We will address as many as time allows at the end of the presentation

Thank you for joining today's webinar – the event will begin shortly; in the meantime, please read through the following reminders:

- Audio will be made available through your computer speakers, so please make sure your speakers are unmuted and working properly
- Closed captioning will also be available during today's webinar – text will appear in the lower left hand corner of your screen.
- Today's webinar, transcript and PowerPoint presentation will be posted to [cbp.gov/aceoutreach](http://cbp.gov/aceoutreach) after today's event.



*CBP's ACE Business Office Presents:*



# **eBond: The Future of Bonds in ACE November 13, 2014**

Today's Presenters:

## **John Everett**

Branch Chief, Entry Summary Accounts & Revenue  
Office of International Trade – ACE Business Office

## **Kara Welty**

Branch Chief, Debt Management Branch  
Office of Administration – Revenue Division

## **Colleen Clarke**

Vice President - Surety Trade Relations  
Roanoke Insurance Group Inc.

## **Celeste Catano**

Senior Global Strategist  
Kewill



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





# eBond: Why Centralize and Automate?

---

- A June 2011 DHS OIG report cited the following:
  - Inaccurate and incomplete bonds
  - Deficiencies in bond retention
  - Insufficient insight into the number and value of Single Transaction Bonds
  - Risk for CBP in cargo being released prior to execution of a bond
- OIG recommended centralization and automation
- OA will now be responsible for bond administration regarding the proper completion, procedures, and minimum bond amounts.





# Benefits of Centralization

---

## Trade

- Standardizes operating procedures which will improve the accuracy of STB information.
- Provides a small group of dedicated resources on bond issues to promote faster responsiveness to questions raised by the Trade.

## CBP

- Enables CBP Officers to focus on trade and law enforcement mission and reduces the burden on Entry and Import personnel.
- Protects CBP by ensuring that a bond has been secured before cargo is released
- Enhances CBP ability to report to Congress or Treasury on key inquiries regarding bonds.





# What role will OA serve?

---

- Issue formal policies and procedures for the validation, sufficiency, and storage processes for all bonds.
- Provide guidance on the development of the automation tool to ensure the policies are built in as validations in the system, where possible.
- For eBond, any bond processing outside of EDI will be handled by the Office of Administration, Revenue Division.





# What is eBond?

---

- eBond is an electronic mechanism for the submission of Customs Bonds from a Surety to ACE via EDI to be stored and used for various downstream processes for which a bond is required.
- eBond allows for Single Transaction Bonds and Continuous Bonds will be accepted electronically
- eBond will provide a single, centralized repository for all customs bonds within CBP





# Why Build eBond?

---

- By building eBond, CBP hopes to realize the following benefits for CBP and Trade stakeholders:
  - Provide a single mechanism for the centralization of bonds, including a single place to locate any bond starting after eBond deployment.
  - Reduction of paper processing
  - Expedited release of cargo
  - Increase traceability of bonds for audit purposes
  - Expansion of bond issuance to beyond regular business hours.





# Where did the eBond Requirements come from?

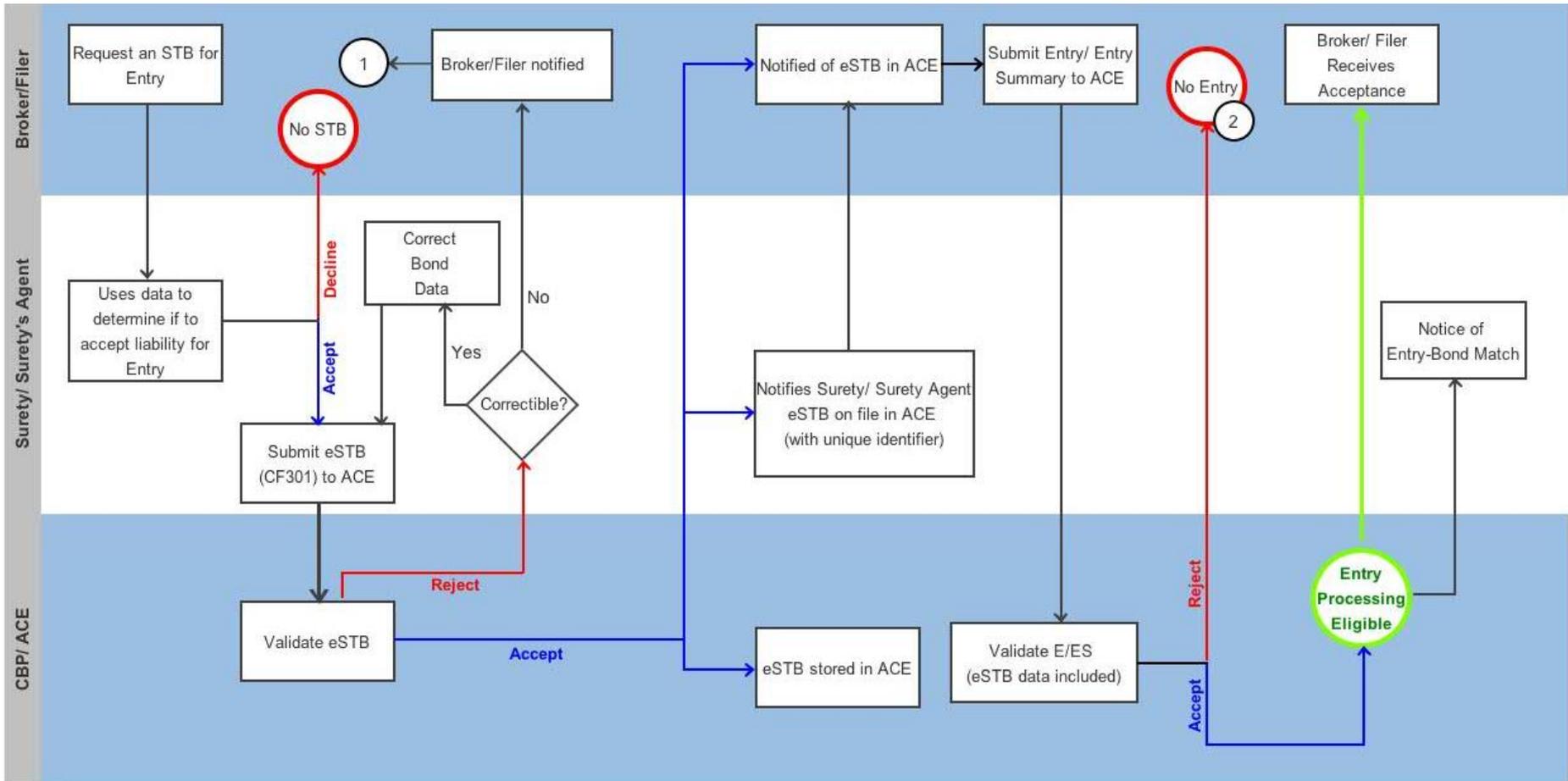
---

- eBond Team Port visits in 2013
- eBond Working Group sessions with Trade and CBP
  - Held in December 2013, April 2014, and June 2014
  - Additional session scheduled for November
- Trade Support Network's (TSN) eBond and Surety Account Subcommittees, as well as the COAC Bond Working Group
- Working sessions with the Office of Administration
- Subject Matter Experts assigned to eBond development for ACE
- Previous work done for the ACE Cargo Release CONOPs in 2011.





# eBond Process Flow



① If the Broker/Filer opts to continue the eSTB process, the process would start again from "Request an STB for Entry".

② If the rejection of the entry filed is due to the inability to match an Entry and Bond, the fier should contact the surety to determine what corrective actions should be taken.



# What is included in eBond?

---

- Following functionality is planned for deployment as part of eBond in January:
  - Ability to receive Single Transaction Bonds, Continuous Bonds, and Bond Riders electronically from a Surety or Surety Agent.
  - Ability to provide bond status updates electronically to sureties and secondary notify parties.
  - A new bond user interface for CBP users
    - View capabilities for general CBP users, add/edit capabilities for the Office of Administration.
  - Bond validations for Simplified Entry (ACE Cargo Release) and ACE Entry Summary
  - Enhanced Trade user interfaces in legacy ACE to allow for location of Single Transaction Bonds.





# eBond Input Submission Requirements

---

Bonds may be input into ACE's eBond system in two ways:

1. Electronic submission of a bond from a surety or surety agent to ACE using the newly developed CB/CX message.
2. Submitted via email by a surety or surety agent to the Office of Administration to be input manually into ACE. Bonds submitted in this fashion are subject to policy and procedure issued by the Office of Administration for the manual input of bonds.





# eSTB Data Elements Requested by Surety

---

- In order to determine whether or not to issue a Single Transaction Bond to a requesting party, the Customs Surety Executive Committee (CSEC), in collaboration with the broker and software vendor community, has created a single set of data elements required by a surety to make an informed underwriting decision, as well as data elements to be returned to the requesting party from the surety.
- This effort is separate from the development of eBond within ACE.





# Bond Status Message

---

- The Bond Status Message will be used to communicate to Sureties and Secondary Notify Parties when an event occurs that affects a bond.
- Such events may include (but are not limited to):
  - When a Bond is successfully filed in ACE
  - When an Entry is matched with the Bond.
  - When an Entry, previously matched with a Bond, is cancelled.
  - When an Entry matched with a Bond is changed.
  - When a Bond Status has changed.
  - When Bond is rendered insufficient





# Will eBond interact with other systems?

---

- eBond will be interact with a number of other ACE functional areas, specifically for ACE Cargo Release and ACE Entry Summary.
  - Validations will be put in place to ensure that a Bond is on-file before a transaction is accepted by the system.
- In the future, the eBond will look to integrate with other ACE and CBP functional areas, including ISF and ACE Collections.





# Is use of eBond Mandatory?

---

- Continuous Bonds, which exist electronically today, will continue to be electronic and have mandatory use of eBond.
  - All Continuous Bonds which currently exist in ACE will continue to be valid in eBond. There will be no need to refile Continuous Bonds due to the implementation of eBond.





# Is use of eBond Mandatory?

- The following chart shows the scenarios for Single Transaction Bonds used to secure an Entry where eBond will be mandatory.

	ACE Entry (Simplified Entry) followed by ACE Entry Summary (2-Step Process)	ACE Entry Summary Certified for ACE Cargo Release	ACS Entry followed by ACE Entry Summary (2-Step Process)	ACE Entry Summary Certified for ACS Cargo Release	ACS Entry followed by ACS Entry Summary (2-Step Process)	ACS Entry Summary Certified for Cargo Release
Electronic Single Transaction Bond required?	Yes	Yes	No	No	No	No





# Is use of eBond Mandatory?

---

- **For ACE Entries followed by ACE Entry Summaries, or ACE Entry Summaries certified for ACE Cargo Release, where a Single Transaction Bond is used, an eBond will be required starting 1/3/15.** ACE will implement validations on these inbound transactions where, if a bond is referenced on a transaction, and no bond is found on file in ACE, that transaction will be rejected.
- **For all other Single Transaction Bond scenarios listed above, eBond will not be required. Paper processing of these Single Transaction Bonds will continue as they do today.** Due to the eventual retirement of ACS processing for Entries and Entry Summaries, the same eBond STB validations in place for ACE filed transactions will not be deployed to ACS. As such, we will not perform the system validations to ensure an STB is on file for these Entry/Entry Summaries. For this reason, operations will remain status quo.





# Is use of eBond Mandatory?

---

- Activity Type 16 Single Transaction Bonds will be required to be input into eBond, operating under the current procedures in place for ISF. Further integration with ISF will be completed in the future.
- For all other Single Transaction Bond Activity types not used to secure an Entry or release, the filing of those bond in eBond will be mandatory. These activity types have no time-sensitive transactional validations that are required, unlike those STB used in the Entry environment.





# Is use of eBond Mandatory?

---

- The current ACE Development Schedule states that in November 2015, mandatory use of ACE Cargo Release and associated Entry Summary will be enforced. As mandatory filing dates in ACE are reached, and ACS filing is retired, eBond will also become mandatory for the ACE transactions. It is anticipated that in November 2015, when filing of ACE Entry and corresponding Entry Summary is mandated, eBond, by default, will become mandatory.



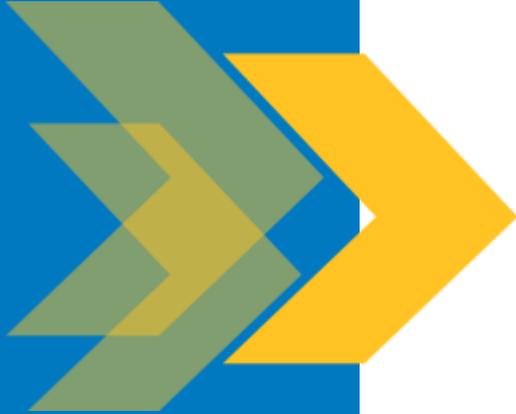


# Key Dates for eBond

---

- February 5, 2014 – Increment 5 start date
  - Begin eBond Phase 1 development (originally “eSTB”)
- May 7, 2014 – Increment 6 start date
  - Begin eBond Phase 2 development (originally “eBond”)
- August 6, 2014 – Increment 7 start date
  - Begin eBond Phase 3 development (additional incremented added 5/14)
- January 3, 2015 – Deployment D
  - eBond deploys





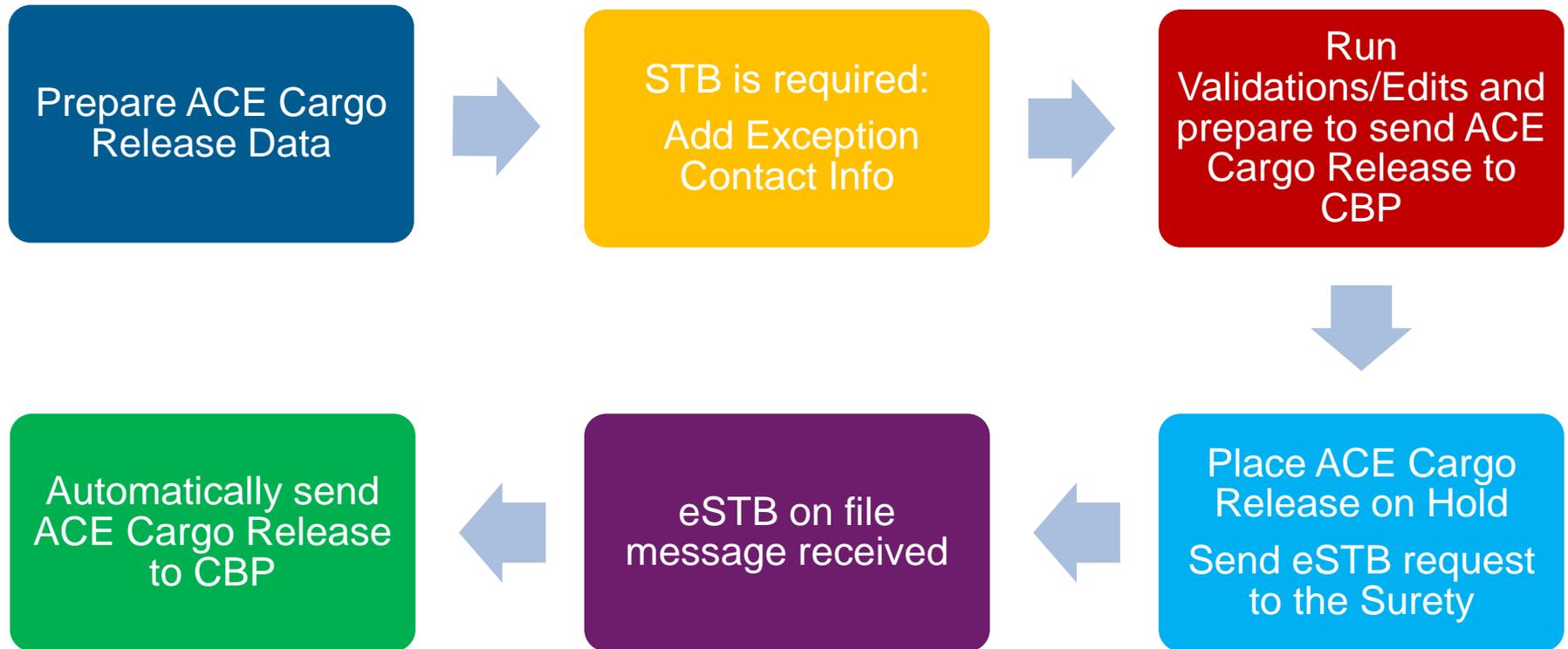
# eBond Broker Integration

Celeste Catano  
Senior Global Strategist  
November 13, 2014



- 
- 2 methods to get the information to the Surety/Surety Agents
    - **Surety/Surety Agent Web Portals**
      - Requires re-keying of data from the entry
    - **Direct communications from Broker's Systems**
      - Web services used for communication
      - Most data elements pulled from Entry Data
      - Data will be passed using XML formatted messages
      - A link to the Implementation Guide is available on <http://www.cbp.gov/trade/ace/catair> (Draft Chapters)
  - Alternative formats can be used if mutually agreed upon with a specific surety

# eSTB Proposed Broker Process



# eSTB Data Elements Requested by Surety

- Surety/Surety Agent Filer Code
- Importer Number, Name/Address/Country
- Bond Activity Code/Bond Designation Code
- Port Code
- Transaction ID - entry#, ISF transaction #
- Border Cargo Release Flag
- Bond Amount/STB Producer Account Number
- Secondary Notify Party (port, filer, office (9 digits))
- **\*Exception Contact (name, email, phone)**
- Broker Reference Number
- Total Estimated Value
- Rider Code (USVI, Reconciliation, etc.)
- ISF Specific fields – Est. Vessel Departure Date, Action Reason (complete, flex range, flex time, flex range/time)
- Line Item
  - HTS Number (10 digit) (line item)
  - Estimated Value (line item)
  - Estimated Duty (line item)
  - IR Taxes (line item)
  - Fees(line item)
  - Country of Origin (line item)
  - PGA Code/PGA Disclaimer Code
  - AD/CVD Additional fields
    - Case Number
    - Bond/Cash Claim Code
    - Deposit Rate
    - Rate Type
    - Value of Goods
    - Quantity
    - Non-Reimbursement
    - Duty Amount

# eSTB Response from Surety to Broker

---

## ■ Response/Status

- Data Errors – Reject Message – Data Correction Required
  - 46 reasons for rejection messages
- Data Accepted – Pending Underwriting Review
  - 8 reason codes
- Data Accepted – Bond Data sent to CBP
- Review Complete – Bond Data sent to CBP
- Review Complete – Bond not authorized
- Bond Accepted by CBP
- CBP Rejection- Correction Required

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

# *Are you Prepared for*



Presented by:  
Colleen Clarke, Vice President – Surety Trade Relations  
Roanoke Insurance Group Inc.  
[colleen.clarke@roanokegroup.com](mailto:colleen.clarke@roanokegroup.com)

November 13, 2014

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

# *eSTB Process*

## How will it work?

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## How will it work?

### Single Transaction Bonds (STBs) – EDI Transmission

- Customs Surety Bond Issuing Systems
  - Requires keying data from entry information
- ABI software
  - Direct communication from broker's ABI to surety/surety agent system
  - Implementation Guide available

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

# *The Approval Process*

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

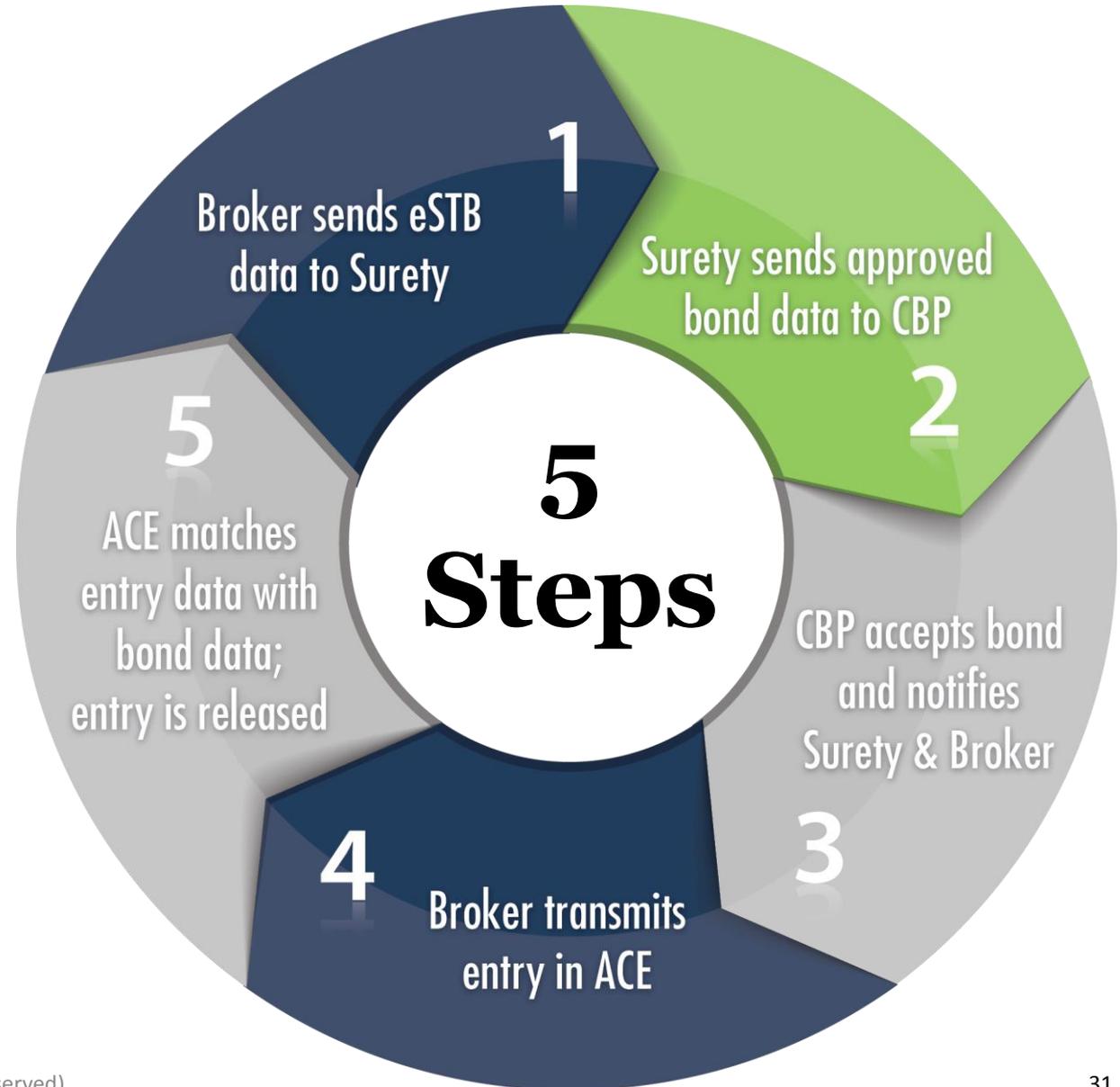
ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## **eSTB Issuing Authority - Brokers**

### **Process Change**

- Surety/surety agent must file bond data
- Customs Brokers
  - Issuing authority
  - Over 95% of all STBs within issuing authority
  - Average STB amount is \$25,000

# The eSTB Process



Use your surety bond issuing system or talk to your ABI software vendor about automation options!

Broker/Filer

Surety/Surety's Agent

CBP/ACE

Request an STB for entry

Notified of eSTB transmission

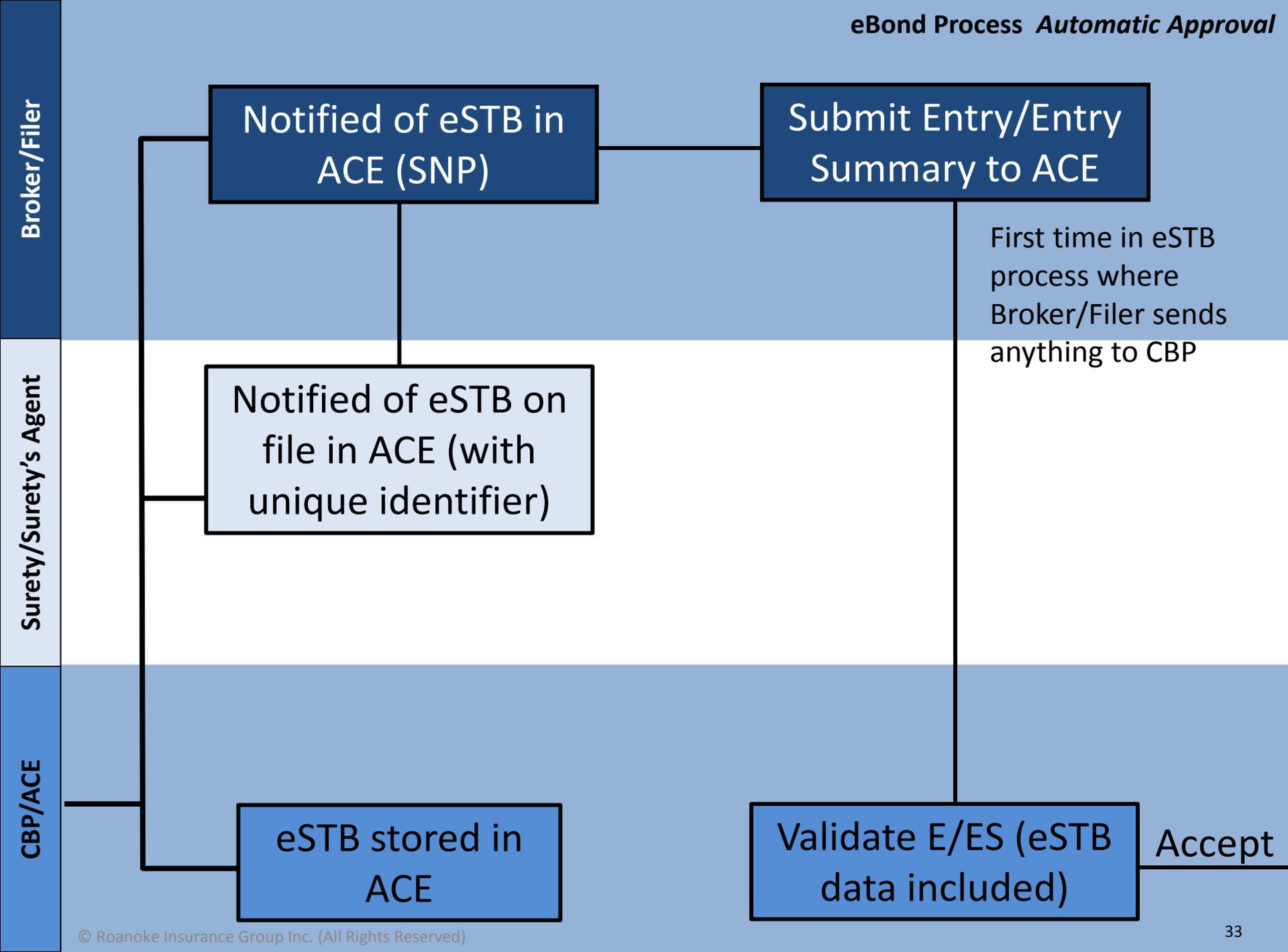
Uses data to determine if to accept liability for entry

Submits eSTB (CBP301) to ACE

Accept

Validates eSTB

What data will we check?  
What happens when underwriting info is needed?



Broker/Filer

Surety/Surety's Agent

CBP/ACE

Notified of eSTB in ACE (SNP)

Submit Entry/Entry Summary to ACE

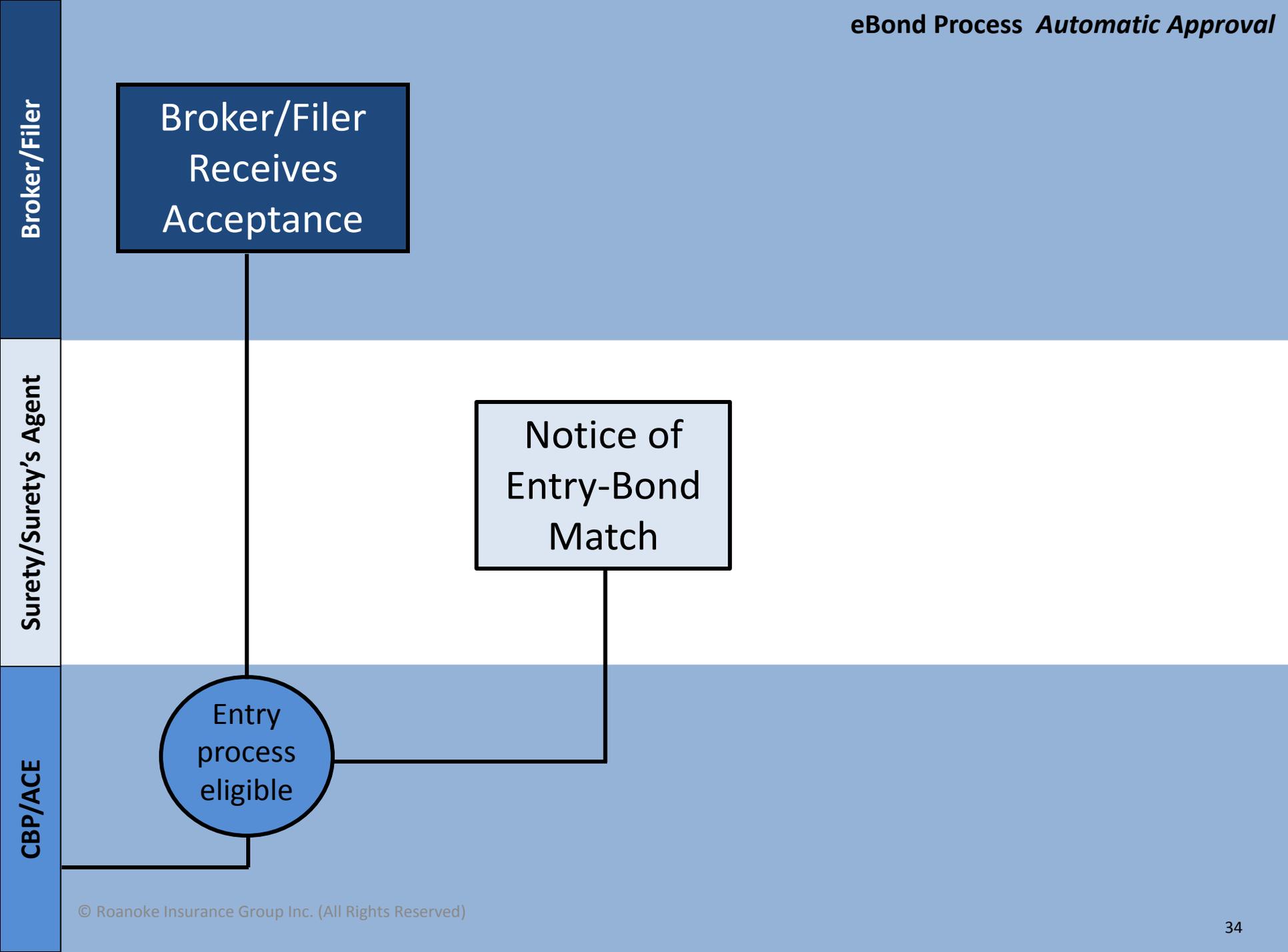
Notified of eSTB on file in ACE (with unique identifier)

First time in eSTB process where Broker/Filer sends anything to CBP

eSTB stored in ACE

Validate E/ES (eSTB data included)

Accept





**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## **ISF eSTBs**

### Customs Surety Bond Issuing Systems

- CBP requires ISF Transaction number in the bond transaction
- Process for obtaining bond remains the same
- Once ISF STB is executed, the bond data will be sent, via EDI, from surety system to CBP

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

# *eContinuous Bond Process*

## **How will it work?**

# The eContinuous Bond Process



Use surety bond issuing system to issue continuous bonds as you do today!

**STB**  
SURETY  
ENTRY TYPE

**CBP ENTRY**  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## eContinuous Bonds

- Terminations
  - Electronic vs Paper
- Riders
  - Add/Delete User
  - VI, Reconciliation
- Legacy (existing) Bonds
- 1/3/15: Continuous Bonds filed electronically

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

# *Transition to eSTB*

**STB**  
SURETY  
ENTRY TYPE

CBP ENTRY  
FASTBOND

ACE

CB

MQ

IMPORTER  
CHB

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## Six Scenarios – e**STB** vs Paper **STB**

### eSTB

- ACE Entry followed by ACE Entry Summary (2 step process)
- ACE Entry Summary Certified for ACE Cargo Release

### Paper STB

- ACS Entry followed by ACE Entry Summary (2 step process)
- ACE Entry Summary Certified for ACS Cargo Release
- ACS Entry followed by ACS Entry Summary (2 step process)
- ACS Entry Summary Certified for Cargo Release

STB  
SURETY  
ENTRY TYPE

CBP ENTRY  
FASTBOND

ACE

CB

MQ

IMPORTER  
CHB

ACTIVITY CODE  
PORT  
BOND AMOUNT

# *eBond Testing*

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

# Certification Environment

- CB/CX Messages (eBond CATAIR)
  - ✓ 1<sup>st</sup> Test Deployment began for sureties 9/3/14
    - Initial testing response 50 seconds
  - ✓ 2<sup>nd</sup> Test Deployment 10/10/14
    - Response now 4 seconds

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## **eBond** Benefits - **CBP**

- Assurance that surety & importer are bound on the electronic bond transmission
- Validation of bond prior to release
- No paper
- Uniformity
- One data warehouse location of bond information

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## **eBond** Benefits – Brokers/Importers

- Expedites bond issuance process – all electronic
- No documents required
- 24/7/365 bond issuance
- eSTB use for RLF
- Quicker acceptance of Continuous Bonds

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## **eBond** Benefits – Surety

- Transparency of Data
- No paper
- Strengthens relationships (CBP & Broker Clients)
- Streamlined processing
- Increased efficiency

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## How to prepare for **eBond** ?

- Know your software provider automation process
- Understand your surety bond provider process
- ABI Software vs Surety Bond Issuing System
  - Which will you use?
- Know your bond issuing authority
- Broker Staff Training

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

## Information Available

- [CBP.gov](http://CBP.gov) -CATAIR Information
  - eBond
  - Bond Status Message
- [NCBFAA.org](http://NCBFAA.org) and [roanoketrade.com](http://roanoketrade.com)
  - CSEC FAQ
  - Broker/Surety Implementation Guide

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT



**It's time to  
Embrace *ACE***

**STB**  
SURETY  
ENTRY TYPE

**CBP** ENTRY  
FASTBOND

**ACE**

**CB**

**MQ**

**IMPORTER**  
**CHB**

ACTIVITY CODE  
**PORT**  
BOND AMOUNT

The result-driven surety provider for eBond

1-800-ROANOKE

[www.roanoketrade.com](http://www.roanoketrade.com)

[infospot@roanokegroup.com](mailto:infospot@roanokegroup.com)

#RoanokeTrade | @RoanokeTrade

# Question and Answer Session



If you have a question at this time, please type it into the Q&A pod. We will attempt to answer as many questions as we can in the time available.

For more information, visit our Frequently Asked Questions page:

<http://www.cbp.gov/trade/automated/ace-faq>



U.S. Customs and  
Border Protection