



## **e-Manifest: Rail & Sea (M1) – In-Bond Questions and Answers**

**Q1. How will CBP authorize the transmission of the CBP Form 7512?**

**A1.** When the filer submits an electronic in-bond using the QP application to ACE M1, ACE replies with messaging (1J) in the same way it was done in AMS. To date, the electronic data requirements have not changed although some of these may be amended by future regulatory changes. The current requirements have been published in the ACE M1 Implementation Guidelines (IG) for ABI. The link for the ACE Automated Broker Interface (ABI) CATAIR chapter for In-bond is:

[http://cbp.gov/linkhandler/cgov/trade/automated/automated\\_systems/abi/catair/chapters/in\\_bond.ctt/in\\_bond.doc](http://cbp.gov/linkhandler/cgov/trade/automated/automated_systems/abi/catair/chapters/in_bond.ctt/in_bond.doc)

**Q2. How is the unknown bill of lading for warehouse withdrawal Transportation and Exportation (T&E's) and Foreign Trade Zone (FTZ) T&E's done in ACE?**

**A2.** ACE will not generate a false Bill of Lading. For in-bond movements from Warehouses, FTZs, General Order (GO) facilities and Seizure facilities, CBP Officers will be able to create a Bill of Lading (BOL) using the Facilities Information and Resources Management System (FIRMS) code and the in-bond entry number for paper in-bonds submitted for shipments that do not have active bills of lading. Any shipment that has not been entered but is still covered by the original arrival bill of lading should reference that bill.

**Q3. How will CBP Form 7512's be handled from a seaport to an airport?**

**A3.** When the bill is moving within the same port of entry, an electronic Permit to Transfer (PTT) will be used. When moving between different ports of entry, an in-bond may be required. Under the current regulations and port processing rules, a CBP Form 7512 will be submitted to CBP for input and processing as currently done in today's environment.

**Q4. How will air CBP Form 7512's be treated for moves to a seaport?**

**A4.** In-bonds referencing air waybills are not included in the ACE M1 deployment; the processes for these will not be changing at this time.

**Q5. How will closing of an in-bond move be handled in ACE?**

**A5.** Arrival and export processes will remain the same under M1. If you are an electronic transmitter responsible for transmitting the arrival and export of in-bonds as part of your business arrangement, you will continue to do so. A paper CBP Form 7512 will continue to be accepted and processed under current rules. CBP holds the bonded carrier whose bond has been obligated by the transaction responsible to report arrival, export and any changes to the in-bond or bill of lading. If a broker/filer is submitting the transactions on someone else's behalf they will be held to the standards expected of all data transmitters. Transmitters are required to provide the most accurate information available and provide proof that they have done so. Deliberate false information may lead to civil and criminal penalties against the responsible party. Liquidated damages for violations of in-bond requirements will be issued to the bonded carrier.

**Q6. Will CBP still honor a request to perforate documents when third parties (terminals/warehouses/etc.) require a perforated CBP Form 7512 to pick up cargo moving in-bond?**

**A6.** During the M1 transition, port processes will remain the same. However, it is anticipated that CBP will no longer accept, stamp or perforate CBP Form 7512s in a fully automated environment. Trade partners will need to develop alternate processes that support the fully electronic environment.

**Q7. Will CBP still process a CBP Form 7512 manually on request from filers?**

**A7.** During the M1 transition, port processes will remain the same. However, it is anticipated that CBP will no longer accept, stamp or perforate CBP Form 7512s in a fully automated environment. Trade partners will need to develop alternate processes that support the fully electronic environment.

**Q8. What will be the procedure if filers are experiencing issues such as the inability to transmit an in-bond, terminals not seeing a release, or the inability to close an in-bond? Do we refer these issues to the Client Representatives?**

**A8.** CBP will continue to work with you for trouble shooting purposes. The first point of contact for system issues is your Client Representative. Additionally, existing

port of entry contacts will continue to work to resolve operational issues that may be encountered.

**Q9 How are subsequent in-bonds handled in ACE?**

**A9.** In the legacy Automated Broker Interface (ABI) a subsequent in-bond may have been transmitted via the In-bond Transaction (QP) after the first arrival posting for the previous in-bond (even if that arrival was not for the full in-bond quantity). In ACE however, subsequent in-bonds may not be transmitted via QP until the previous in-bond is completely arrived. It is important to note that all QPs will be transmitted via ACE effective September 29, 2012.

If your business practice is to transmit one in-bond covering multiple bills of lading, transmission of any subsequent in-bond will need to await the arrival of all the merchandise covered by that in-bond. When a subsequent in-bond QP is transmitted in ACE prior to the previous in-bond's complete arrival, the QP transmission will receive the error 'Prev Inbond Move Must Be Arrived' (error code 181). This is the indication that the previous in-bond has not been arrived in its entirety.

To prevent this situation, carriers and in-bond filers should work together to come to agreement on a solution that allows for the freight to move when necessary. In this situation CBP has identified at least two solutions:

1. Carriers may transmit the initial in-bonds at the Bill of Lading level and arrive them at their destinations at the same level. This will allow for all processing to continue at the port of destination;
2. Carriers may continue to submit master in-bonds but arrive the shipments at the in-bond level. This will allow for processing of the subsequent legs. Please note that carriers will be responsible to show that all of the shipments covered by the in-bond have actually arrived at the destination and are fully accounted.

Please note this change in process does NOT apply to export of in-bonds or Permits to Transfer. Specific issues have been identified with both of these functions which are currently being resolved and should work normally on September 29, 2012.

**Q10. Who do I contact when I receive the following error message "NOT AUTH TO USE CUST BOND?"**

**A10.** You should first contact your Client Representative for assistance. If you cannot reach your client representative, please contact the Technology Service Desk either by phone at 1-866-530-4172 or by e-mail at:

[CBP.Technology.Service.Desk@cbp.dhs.gov](mailto:CBP.Technology.Service.Desk@cbp.dhs.gov). This is usually an indication that a business partner has limited the ability of other parties to use their bond via the ACE web portal.

**Q11. Can you provide clarification on the Use of custodial bond Authorization Functionality in ACE?**

**A11.** The following information is being provided to clarify the custodial bond authorization functionality in the ACE Portal.

	<b>Partners Authorizes</b>	<b>Results</b>
1	Bond owner authorizes no partners.	Anyone can obligate the bond. No SCAC or filer codes are present in the bond authorization file in the ACE Portal.
2	Bond owner authorizes self as partner.	Only the SCAC of the bond owner is listed in the bond authorization file in the ACE Portal. The bond owner can obligate the bond; all other partners are blocked from using the bond even if they are shown as authorized partners in the ACE Portal.
3	Bond owner authorizes others as partners.	Only the bond owner and the partners listed in the bond authorization file in the ACE Portal can obligate the bond. Bond owners must first remove themselves from the ACE Portal as users of the bond if they previously added their SCAC as an authorized partner.

**Note: Bond owners can always obligate their own bond.**