

## **Importer Security Filing (ISF)**

### *Frequently Asked Questions*

1. *Do we need to purchase software to be able to file this information?*

No. CBI has programmed the ABI (Automated Broker Interface) connection we currently use to file your entry to file the ISF on your behalf.

2. *Are AMS & ABI the only methods through which ISFs can be filed?*

Yes. CBP has stated that there is no paper form and the only electronic methods from which they will accept ISFs will be AMS (Automated Manifest System) and ABI.

3. *What is CBI's expected charge for this service?*

A fee will be assessed for any filings that CBI does on the importer's behalf.

Since the ISF can vary in length and detail due to potential multiple line items, we anticipate that a flat fee will be charged, plus an incremental amount for additional line items. We plan on offering discounted rates to importers using the web interface and EDI transfer to submit the data, as these tools become available.

The details of the pricing can be arranged with your local CBI office.

4. *How will our supplier get this information to us?*

Most of this information is provided on the Commercial Invoice you already receive for customs clearance purposes. For the ISF, you will need to get this information prior to sailing (preferably at the time the goods leave their facility), so that we have the information to file on your behalf before the goods get loaded onto the vessel. We have provided a quick "cheat sheet" that you can send to your suppliers to assist in the information flow.

Also, most of the information required to file the ISF can be found on your Purchase Order. CBI can maintain a parts dictionary in our secured databases (as required by CBP) for our customers so that we can have this information on file and will not need to get it on every shipment, provided we receive the PO information. This should ease the information flow and reduce the cost to the importer.

5. *What will be the supplier's incentive to provide pre-shipment information if the importer is the party who will be assessed liquidated damages?*

Fortunately, the one year of Informed Compliance allows all parties involved in the transaction to iron out problems that may arise. Since, however, most of the information required is already available at the time the importer places the Purchase Order, this should not be an issue. Working with our partners overseas we can overcome the concern of a stubborn supplier.

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Also, since this is a governmental regulation, it will be in the best interest of the supplier to comply or risk losing the US as a customer base.

6. *Will CBP conduct any training or seminars on the subject matter?*

Outreach programs have been scheduled by CBP in some ports and we anticipate more to be added through the year. Please check the CBP website for the most recent dates.  
[http://www.cbp.gov/xp/cgov/trade/trade\\_outreach/09\\_outreach\\_schl.xml](http://www.cbp.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml)
7. *What is the difference between a Consignee and the Ship-To?*

The Consignee information in ISF requires a federally registered ID# (typically IRS#). This corresponds to the party ultimately receiving the goods. The ID# of the consignee may correspond to a corporate address, which is acceptable. The Ship-To does not require a registered ID#, and is just a name and address. In many instances, the consignee and ship-to are the same. There are times, however, when they are not. For example, the Ship-To could be a warehouse or distribution center located at a different address than the address associated with the Consignee's ID#.
8. *Couldn't there be a great difference between where the goods are made ship ready and who arranged for it?*

In the regulations, the term "ship ready" refers to break-bulk or LCL cargo. Technically, however, yes, there could be a difference. Where the goods are made ship ready would be the Container Stuffing Location for LCL or break-bulk cargo. Typically the party who arranged for it would be the Consolidator (CBI's Agent for LCL cargo). For FCL cargo, the parties could be the same. The difference is similar to that of Ship To and Consignee as explained in Question 7 of this document.
9. *How will we know if an ISF has been submitted prior to the filing of our customs entry?*

CBP has stated that there is no link between the two filings. The ISF is to be used for security targeting purposes only. There is no indication that the filing of the entry will be denied if no ISF is on file, or if it is incomplete. However, keep in mind that once the Informed Compliance period is over, CBP will issue Do Not Load statements to carriers and the shipment will not sail until an ISF is on file and complete.
10. *The tariff numbers that our vendor puts on the documents are different than what we file with Customs for the entry. Won't that cause a problem with Customs?*

At this time, CBP will not link the two items together and has given no indication that they have any plans in the near future to do so. CBP could link the two in

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the future or question a tariff based on an exam of goods based upon information found in the ISF.

*11. Does the ISF apply to goods that were exported from the U.S. and then returned?*

Yes. An ISF must be filed for any cargo arriving by vessel into the United States.

*12. If we import the exact same item from two different countries and two different suppliers is there any special data required?*

If both items are coming in on the same vessel, then only one ISF may be required, however, the supplier, country of origin and tariff # must be linked. CBI software is fully capable of handling this reporting requirement. We would simply need to be given the full information.

*13. If the importer is buying from a parent company and they are purchasing from many different companies, would the parent company be sufficient as supplier or will all the other companies have to be listed?*

Based on the current final rules, the parent company may be listed as the supplier for the ISF.

*14. Are importer's going to have to report the HTSUS number at the SKU level?*

No. The regulation only stipulates that the HTSUS number be reported for each different manufacturer/country of origin combination.

*15. If the manufacturer, supplier and seller are the same, then do we need to enter the same name for the manufacturer and seller?*

Yes. Each party must be individually identified, even if they are the same party.

*16. Can an importer get all the required information from the supplier and file before the container is shipped?*

CBP does not indicate how far in advance the information can be filed, only that it must be filed 24 hours prior to being loaded onto the vessel. From what we can tell from the technical side, CBP will attempt to match up bills of lading for 30 days, so the suggestion would be no more than 30 days prior.

*17. So the "Importer" is the company placing the PO for the goods?*

The "Importer" is defined as the party causing the goods to arrive into the United States. Most of the time, this will be the person who issued the PO, however, this is not necessarily always the case.

*18. How soon do we need to get all the information to you for our suppliers?*

You should begin a campaign to inform your suppliers about the new regulations immediately. CBI will be more than happy to assist you in communicating with

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your suppliers to ensure that compliance is met well before the end of the compliance period.

We have reached out to our foreign agents advising them of the ISF procedures in an effort to streamline the process. They can provide additional support in communicating with your suppliers, if that is needed. Please contact your local CBI office for assistance.

*19. Suppose a container contains 20 widgets. Each widget has a specific part number and is produced by a different manufacturer. All widgets have the same HTSUS classification. Will the ISF list the HTSUS number 20 times with each line showing a different manufacturer? Will the commercial invoice have to show the manufacturer information next to each part number?*

Technically, yes, 20 lines must be filed, as the ISF requires a separate line for each manufacturer/country of origin/HTSUS number combination.

The commercial invoice, however, will not have to show the manufacturer information next to each part number, provided this information is stored in CBI's product database. We can maintain a parts dictionary for the importer that has all of this information in it and utilize that to submit the ISF. Please contact your local CBI office for more information on how this database can ease the ISF process.

*20. If a shipper has multiple manufacturing locations and a separate corporate facility in the same country, how does CBP plan to validate which of those addresses is the proper shipper address?*

CBP does not indicate in the ruling how they intend on validating this information. However, they clearly specify that the importer must take the necessary steps to obtain and provide that information.

CBI is capable of storing this information on our secured server to make this process easier on the importer. With a one time data transfer to our servers that includes the various addresses of shippers/manufacturers and the parts mentioned in Question 19, the importer can notify CBI of the shipment and time of Purchas Order and we are ready to file the ISF & entry with minimal additional information. If changes are made on a supplier or part, it only needs to be made once. Please contact your local CBI office for further details.

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*21. In the case of data element 1 - manufacturer (or supplier) name and address – if the exporter is not the manufacturer, can the exporter's name and address be filed in the ISF, so that the manufacturer's name and address is not revealed?*

As with any Customs business CBI handles, we maintain the confidentiality of such information as we are aware that certain information is confidential for commercial reasons. The ISF filing will also be kept confidential, and CBP has stated that these records will not be made public.

*22. How will ocean carriers and NVOs be notified to not load a shipment?*

CBP will send messages to the carrier via AMS, if necessary. This will not be enforced during the one year Informed Compliance period, provided the importer is making efforts to provide the information required in the ISF. CBP will also notify the filer (in this case CBI on your behalf) if there is no match on the Bill of Lading, so that we can proactively resolve issues and address them during the compliance period.

*23. Can the importer refuse or abandon the cargo to eliminate the penalty exposure if the vendor shipped the cargo without the importer's knowledge?*

During the first year, this will not be necessary, as CBP has indicated they will not impose penalties. This allows for the vendors to be caught up on the regulations to where this would not happen. After the first year, once CBP enforces the Do Not Load (DNL) messages, then this scenario should not happen, as the shipment would not sail in the first place.

*24. When Customs holds a load from being delivered, when is the customer notified of any issues pertaining to that load?*

For the first year, no shipments will be prevented from being loaded. We ask for your patience as Cargo Brokers works with Customs to accommodate the flow of information our customers deserve.

*25. Would you expand on the proposed bond changes necessary to incorporate liquidation damages from inaccurate supplier provided information?*

CBP has amended the regulations to state that if the principal (in this case the Importer) defaults with regard to any obligation set forth in the new ISF regulations (part 149), the principal and surety (jointly and severally) agree to pay liquidated damages of \$5000 for each violation.

Initially there had been talk of liquidated damages equal to the value of the merchandise, however, that has been replaced with the above.

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The scope of the “violation” is, of course, subject to interpretation by CBP.

This amendment holds true for the basic importation and entry bond, the custodial bond, international carrier bond and the foreign trade zone operator bond. CBP has also introduced a new Importer Security Filing Bond (the full details of which have not been disclosed as of January 12, 2009)

*26. What happens when one of my U.S. customers buys the goods from me, FOB China? My customer becomes the importer of record and could be assessed the “value of the goods” penalty. If my supplier loads the container before the ISF is filed, does my customer then get fined for the full “retail” value of the container?*

The regulations define the ISF Importer as the party causing the goods to arrive in the United States. The penalty (no longer the full value, as proposed in the Notice of Proposed Rule Making), would be assessed to that party, whether it is you or your customer.

*27. If the ISF was not completed and penalty was issued to the importer of record, would the penalties have to be paid prior to receiving the goods? If so, could the broker pay this on behalf of the importer?*

There are no details on how CBP will administer the penalties, only that they would assess liquidated damages. Most likely, these penalties will be handled similar to penalties on a Customs Entry, and be assessed directly to the importer of record.

*28. If an importer has several containers on a single invoice and one container gets left off the ISF, will the penalty under the proposed rules be for the entire invoice value or the value of just the one container.*

Container information is not a requirement of the ISF for the importer, so if the ISF was filed with all the manufacturer/country of origin/HTSUS combinations, no penalty will be assessed. In the event that a combination is missing, CBP could impose a penalty (after the Informed Compliance period).

If the importer finds that there are mistakes or additional information is determined after initial filing of the ISF, it is highly recommended that this ISF be amended to include the most accurate information. CBI is equipped to handle this transaction on the importer’s behalf.

*29. How will 10+2 affect NAFTA, if at all?*

Most shipments coming into the US from Canada or Mexico arrive by truck or rail. CBP has stated that there is no current intent on expanding the ISF to other modes of transportation (see CBP FAQs), so ISF will not apply to most NAFTA cargo.

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*30. Will this affect export shipments as well?*

No. The ruling only covers ocean import shipments.

*31. Where will we obtain the ISF form?*

There is no ISF form. The ISF must be filed electronically with CBP using either the Vessel Automated Manifest System (AMS) or Automated Broker Interface (ABI). Although no ISF form has been given by Customs, CBI has created a checklist of information necessary for an ISF Filing that you can share with your suppliers to help them in providing you with the required information. This checklist is available on our website under the ISF link.

*32. Will this require an Importer to be C-TPAT certified?*

No, an importer does not have to be C-TPAT certified, however, CBI recommends that an importer become C-TPAT certified, as validated participants of the C-TPAT program are given “priority status” on imports, including preferential treatment during routine inspections and exams. CBI is willing and able to assist the importer with the application process.