

# Cargo Brokers International, Inc.

**Importer Security Filing (ISF) – “10 + 2”**



# History

- Intended to fulfill the requirements of section 203 of the Security and Accountability for Every Port Act of 2006 (SAFE Port Act) and section 343(a) of the Trade Act of 2002
- Similar to the Container Security Initiative (CSI), the 24 Hour Rule and the Customs-Trade Partnership Against Terrorism (C-TPAT) the regulations are designed to enhance national security while protecting the economic vitality of the United States
- This legislation requires that the Secretary of Homeland Security acting through the Commissioner of Customs and Border Protection (CBP) promulgate regulations requiring the electronic transmission of data elements for the purpose of targeting high-risk cargo bound for US Ports
- Final (Interim) Rule was published on November 25, 2008 and included many changes since the initial Notice of Proposed Rule Making of earlier that year

# Overview

- An ISF, of at least the 10 required elements, must be submitted no later than 24 hours prior to loading on a vessel at a foreign port
- The ISF is different from the 24-Hour Rule in that the importer, not the carrier, is legally responsible for the accurate and timely transmission of the required elements
- There is a one year Informed Compliance period for importers, which begins on January 26, 2009.
- Until January 26, 2010, no penalties or DNL (Do Not Load) messages will be assessed/sent by CBP provided the importers show that they are making reasonable efforts to comply

# The 10 Elements As defined by CBP

## 1. Importer of Record Number

- Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the entity liable for payment of all duties and responsible for meeting all statutory and regulatory requirements incurred as a result of importation.
- For goods intended to be delivered to an FTZ, the IRS number, EIN, SSN, or CBP assigned number of the party filing the FTZ documentation with CBP must be provided. The importer of record number for Importer Security Filing purposes is the same as “importer number” on CBP Form 3461.

## 2. Consignee Number(s)

- Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the individual(s) or firm(s) in the United States on whose account the merchandise is shipped. This element is the same as the “consignee number” on CBP Form 3461.

## 3. Seller Name & Address

- Name and address of the last known entity by whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided.
- The party required for this element is consistent with the information required on the invoice of imported merchandise. See 19 CFR 141.86(a)(2).

## 4. Buyer Name & Address

- Name and address of the last known entity to whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided.
- The party required for this element is consistent with the information required on the invoice of imported merchandise. See 19 CFR 141.86(a)(2).

# The 10 Elements As defined by CBP

## 5. Ship To Name & Address

- Name and address of the first deliver-to party scheduled to physically receive the goods after the goods have been released from customs custody.
  - CBP is looking for the actual deliver to name/address; not the corporate address
  - If unknown, provide the name of the facility where the goods will be unladen.
  - May provide a FIRMS code of a warehouse or terminal if the specific ship to name/address is unknown at the time of the filing. For example, a container freight station is acceptable.
  - May provide the name and address of an in-land distribution center if the specific ship to name/address is unknown at the time of the ISF filing.

## 6. Manufacturer Name & Address

- Name and address of the entity that last manufactures, assembles, produces, or grows the commodity
- Or, name and address of the supplier of the finished goods in the country from which the goods are leaving.
- In the alternative, the name and address of the manufacturer (or supplier) that is currently required by the import laws, rules and regulations of the United States (i.e., entry procedures) may be provided (this is the information that is used to create the existing manufacturer identification (MID) number for entry purposes).

## 7. Country of Origin

- Country of manufacture, production, or growth of the article, based upon the import laws, rules and regulations of the United States. This element is the same as the “country of origin” on CBP Form 3461.

## 8. Commodity HTSUS Number

- Duty/statistical reporting number under which the article is classified in the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS number must be provided to the six-digit level.
- The HTSUS number may be provided to the 10-digit level

# The 10 Elements As defined by CBP

## 9. Container Stuffing Location

- Name and address(es) of the physical location(s) where the goods were stuffed into the container. For break bulk shipments, the name and address(es) of the physical location(s) where the goods were made “ship ready” must be provided.
  - The “scheduled” stuffing location may be provided.
  - This may be the same name/address as the manufacturer (supplier)
  - If a “factory load”, simply provide the name and address of the factory

## 10. Consolidator (Stuffer) Name & Address

- Name and address of the party who stuffed the container or arranged for the stuffing of the container. For break bulk shipments, the name and address of the party who made the goods “ship ready” or the party who arranged for the goods to be made “ship ready” must be provided.
  - If no consolidator is used, e.g. “factory load” shipments, provide the name/address of the manufacturer (supplier).
- The Manufacturer, Country of Origin and HTS Number must be linked as a line item at the shipment level
- Multiple bills of lading can be combined as a single ISF provided that all products are destined for the same importer as part of the same shipment on the same voyage

# Things to Note

- The “+ 2” elements are additional elements submitted by the carrier
  - Stow Plan
  - Container Status Messages
- The ISF must be submitted via ABI (Automated Broker Interface) or AMS (Vessel Automated Manifest System).
- A Power of Attorney is required if being filed by a 3<sup>rd</sup> party (CBI, for example)
- The ISF must be secured by a bond
  - The continuous bond will be accepted for ISF purposes
  - A separate ISF bond may be acquired, though, CBP has not yet provided the details as to how this is to be written and what the minimum amounts will be to the surety companies
- After the period of Informed Compliance, the potential liquidated damages for failure to file accurate and timely ISFs is \$5000 per filing

# Additional Notes

- The “11<sup>th</sup> Element”
  - This is the Bill of Lading and is required for CBP to link the ISF to the Customs Manifest information as provided by carriers via AMS, as well as the + 2 elements carriers provide
- Once the Informed Compliance period is over, CBP will use this element to enforce the DNL (Do Not Load) messages to carriers
  - Just as Customs Entries must match with the B/L on file in AMS for release of the cargo at arrival, the ISF record must match with the B/L on file in AMS prior to loading of the cargo.

# CBI and Your ISF

- Cargo Brokers is ready to submit ISF on your behalf
- Our software has been approved by US Customs and testing data has passed all milestones
- Cargo Brokers is prepared to keep you compliant with ISF
- We are flexible in how we receive the information from you in order to file ISF
  - Please contact us to accommodate your needs
- We are working on enabling a web interface to allow you, our customer, to enter the ISF on your own and submit through CBI's connection to CBP

# The Future of ISF

- During the Informed Compliance period CBP has stated that they may make changes to the requirements of the filing.
- CBI will work with our clients to make sure that they stay compliant as changes are made
- During the Informed Compliance period, CBI will work with our clients to ensure that the process flows are the most efficient they can be while staying within the boundaries of the regulations
- CBI is currently in the final development/testing phases of some new technology that will allow for easy information flow from the supply chain
  - Web interface for ISF
  - POET System (Purchase Order Expediting/Tracking)
  - EDI Transfer

# Additional References

- [http://www.cbp.gov/xp/cgov/trade/cargo\\_security/carriers/security\\_filling/](http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filling/)
  - Includes the CBP Outreach Schedule
    - Includes Charleston, SC (1/28/09) and Savannah, GA (1/29/09) with Miami, FL to follow (likely in Feb. 2009)
- CBI FAQ Document
- CBP Slideshow Presentation as presented by the NCBFAA/CBP
- Link to the CFR References:  
[http://edocket.access.gpo.gov/cfr\\_2008/aprqtr/pdf/19cfr141.86.pdf](http://edocket.access.gpo.gov/cfr_2008/aprqtr/pdf/19cfr141.86.pdf)

Please contact your local CBI  
office if you have specific  
questions about your business

Documents will also be posted on our  
website

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