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Importer Security Filing 10 + 2 Program

The final rule for 10+2, also known as the Importer Security Filing (ISF) has been published in today's Nov. 25th 2008 Federal Register. There are some significant changes from the proposed rule which came out in January. Approximately 200 comments were submitted by the public. The goal of 10+2 is to enhance Customs' ability to identify high-risk shipments.

The 10+2 data elements remain unchanged:

1. Seller **Importers Requirement**
2. Buyer
3. Importer of record number/Foreign Trade Zone applicant ID number
4. Consignee number
5. Manufacturer (or supplier)
6. Ship to party
7. Country of origin
8. Harmonized Tariff Schedule number (6 digits)
9. Container stuffing location
10. Consolidator (stuffer)

Carriers Requirement

1. Vessel stow plan
2. Container status messages

The rule goes into effect **January 26, 2009**. For one year, Customs & Border Protection (CBP) is offering a delayed compliance period where they will show restraint in enforcing the rule. CBP will take into account difficulties that importers may face in complying with the rule as long as importers are making a good faith effort and satisfactory progress toward compliance. Full enforcement will take effect January 26, 2010.

The importer is responsible for the first 10 data elements. The steamship line is responsible for the "+2" data elements. The timeframes to submit the importer data elements are as follows:

No later than 24 hours before cargo is laden aboard the vessel at the foreign port:

- o Seller
- o Buyer
- o Importer of record number/FTZ applicant ID number



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- o Consignee number
- o ***Manufacturer (or supplier)**
- o ***Ship to party**
- o ***Country of origin**
- o ***HTS number**

As early as possible but no later than 24 hours prior to arrival:

- o Container stuffing location
- o Consolidator (stuffer)

For * items, submit the best available information. CBP will be flexible and allow updates up to no later than 24 hours prior to arrival.

Break bulk cargo - 24 hours prior to arrival.

The requirements regarding the timing of transmission for 6 of the 10 ISF elements (Container stuffing location, Consolidator (stuffer), Manufacturer (or supplier), Ship to party, Country of origin, and HTS number), and the flexible requirements for 4 of the elements (Manufacturer (or supplier), Ship to party, Country of origin, and Commodity HTSUS number) are adopted as an interim final rule. CBP invites comments on these requirements. Comments must be submitted by June 1, 2009. Please see the Federal Register notice for information on how to file a comment. All other requirements in this rule are adopted as a final rule. Customs is not inviting comments on these requirements.

The bill of lading number will be used as an identifier to tie the ISF to the manifest filing and to the Customs entry. If there is a house bill of lading, this number must be reported. The manufacturer, country of origin, and HTS number must be linked at the line item level.

The ISF must be filed by the ISF Importer. ***The ISF Importer is defined as the owner, purchaser, consignee, or agent such as a licensed Customs broker.*** The ISF Importer is ultimately liable for the timely, accurate, and complete submission of the Importer Security Filing.

CBP will enforce the Importer Security Filing, vessel stow plan, and container status message requirements through the assessment of liquidated damages, in addition to penalties applicable under other provisions of law. Customs can assess liquidated damages up to \$5000.00 for violations, such as failure to submit ISF timely,



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accurately, or completely. This is a change from the proposed rule which proposed liquidated damages equal to the value of the shipment. The ISF Importer will be required to post a bond to secure the timely, accurate, and complete Importer Security Filing. If you already have a continuous entry bond, this will be sufficient for ISF purposes

CBP will be publishing final technical specifications shortly now that the final rule has been issued. CBP plans to have a test system where users can submit test data and receive responses. **We want to let you know that Meadows Wye & Co., Inc. will determine the best possible filing method and will be ready to send data on January 26, 2009 to transmit your ISF information.**

You need to think about how to get the data and get it timely. Consider who your sources will be for the data and develop procedures for your suppliers. You will need to have commercial invoices and the bill of lading number prior to loading at the foreign port. Your goods will need to be pre-classified. You want to be sure your vendors are getting you the information at least 48-72 hours prior to vessel loading. Customs says to expect an additional 2-3 days in your supply chain for the first year.

Yes, the first year will have some bumps in the road, but once the initial kinks are worked out, the supply chain will be enhanced. 10+2 offers supply chain visibility back to origin with multiple parties working in collaboration to gather the information.

The final rule is available at:

<http://edocket.access.gpo.gov/2008/pdf/E8-27048.pdf>

CBP has established a help desk available at Security_Filing_General@cbp.dhs.gov

A 10+2 Fact Sheet and FAQ's are available at:

http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filing/