

# ISF 10+2

If you haven't started filing your ISF, you are at risk of being fined a minimum of \$5,000.

## IMPORT SECURITY FILING

Importer Security Filing (10+2) is a government mandate requiring importers to file additional data elements for all shipments entering the U.S. via ocean cargo. Penalties for inaccurate or untimely data are steep (\$5,000 per ISF). The ruling has been in effect since 01/26/2010. The ruling requires Importers or their designated agents to file "10" types of data elements 24 hours prior to vessel loading overseas (see table below). The vessel operator will have to submit the other "2" data elements 48 hours from the vessel departure from the foreign port.

Data Element	Brief Description	Challenges
Manufacturer Name and Address	The entity that last manufactures, assembles, produces or grows the commodity	One of the most difficult data to gather; often, actual manufacturers and actual address will not be known; supplier may not want to divulge details, or have bad data
Seller Name and Address	Last known entity by which the goods are sold or agreed to be sold. If not sold the owner is reported	Typically known through the commercial invoice and/or purchase order issued by the Importer
Buyer Name and address	Last known entity to which the goods are sold or agreed to be sold	Typically known through the commercial invoice and/or purchase order issued by the Importer
Ship To Name and Address	The first deliver to party scheduled to physically receive the goods after release from Customs	Unique to the 10+2 rules
Container Stuffing Location	Name and address of the physical location(s) where the goods were stuffed or if break bulk goods, where they were made shipment ready	Data element known only at the origin, typically by the supplier or Freight Forwarder; unique to 10+2
Consolidator Name and Address	The party which stuffed the container or arranged for its stuffing. For break bulk goods, again the party who makes them shipment ready	Will have similar challenges to the container stuff location
Importer of Record Number	The IRS, EIN, SSN or CBP assigned number of the entity liable for payment of any duties and responsible for meeting all import requirements	Typically known by Customs broker

AISF (10+2) filings must be covered by a bond. It can be one of three alternatives:

- 1) A regular annual/continuous import bond will cover the ISF; this is your best option.
- 2) A single ISF bond (a new type of bond) will cover the ISF; Note: The drawback of using this type of bond is the underwriting by the surety is restrictive. It costs \$50 per bond, and takes time to issue (possibly causing a delay in transmitting the ISF itself). In some cases, the surety will not allow us to issue them without getting collateral of up to \$10,000 from the importer. We discourage importers from using this type of bond if possible.
- 3) An annual/continuous ISF bond (a new type of bond) will cover the ISF. Note: The drawback of this type of bond is it will only cover the ISF and not the entry. Importers who also file entries would need to have a separate entry bond. Since the regular annual import bond will cover both the entry and the ISF, it is suggested importers get the regular import bond.

**Please note: Single entry bonds will only cover entries, and single ISF bonds will only cover ISFs.**

**Dear Valued Customer,**

**Please be advised of the following:**

**FULL ENFORCEMENT OF U.S. IMPORTER SECURITY FILING EFFECTIVE JULY 9, 2013**

U.S. Customs and Border Protection (CBP) has announced that it intends to apply existing Liquidated Damages provisions to "10+2" Importer Security Filings required to be submitted on or after July 9, 2013. The Importer Security Filing (ISF) rule allows for Liquidated Damages of \$5,000 per violation, which could reach \$10,000 per shipment if amendments to the ISF are filed with errors or filed late.

CBP originally planned to start issuing Liquidated Damages associated with missing, late, or incorrect Importer Security Filings in the fourth quarter of 2010, but opted for a phased approach to enforcement. This approach was designed to minimize disruption to the trade community as it adapted to a new, complex security regime aimed at using advance data for targeting shipments with smuggled contraband or terrorist weapons.

As CBP's enforcement of the ISF requirement progresses, non-compliant importers may be subject to an increased amount of manifest holds, examinations, and Do Not Load (DNL) holds in addition to the issuance of Liquidated Damages. C-TPAT certified companies that remain non-compliant with the terms of the ISF program may have their C-TPAT status suspended, reduced, or revoked.

CBP has stated that every Liquidated Damage enforcement action instituted by a port will be reviewed by CBP headquarters personnel before issuance. Instances of non-compliance will be evaluated on a case-by-case basis and will consider factors surrounding violations before applying Liquidated Damages.

It does not appear that enforcement actions will apply to the "ISF-5s", which are required for goods transiting, but not remaining in, the United States. This includes goods subject to immediate export or transportation and freight remaining on board.

For additional information, CBP encourages the trade to refer to their website, [www.cbp.gov](http://www.cbp.gov). A Frequently Asked Questions document and other resources can be found under "Trade", "Cargo Security", "Security Filing 10+2". CBP anticipates updating the current FAQs and has confirmed that the current Interim Final Rule still applies to all ISFs while CBP continues to work on the Final Rule.

Stevens will continue to monitor developments regarding the Importer Security Filing program and its provisions for Liquidated Damages and will advise of any updates as they occur.

If you have any questions regarding this information please contact your local Stevens Global Logistics representative.