



AN ALERT TO IMPORTERS

TIME IS RUNNING OUT...EFFECTIVE JANUARY 26, 2010

The \$5,000 penalty will be incurred to you, the Importer, if **Importer Security Filing (ISF)** form is not completed in time!

AGS WILL NOT BE RESPONSIBLE FOR LATE FILING.

(We will need the completed ISF Detail Sheet no later than 72 business hours before departure to file on your behalf! AGS cannot file without the ISF Form!)

*****The ISF worksheet is not the actual entry*****

As you know, the Importer Security Filing is now set to begin on January 26, 2010 and all importers will be subject to the \$5000.00 penalty if they are not in compliance with the rule. The regulation requires importers and ocean carriers to electronically submit additional data to U.S. Customs on all vessels destined to the United States. This is also applicable for cargo moving in-bond through the U.S. (5 data elements), and for FROB (Freight Remaining on Board). The ISF is separate from the broker's entry and U.S. Customs is still working on the final rule regarding ISF bonds.

The most crucial part to the ISF is that it must be accepted by U.S. Customs 24 hours prior to the container being loaded at the foreign port (some elements are allowed to be updated after the initial transmission).

The following data elements must be **filed no later than 24 hours prior to vessel loading** at origin:

- Seller
- Buyer
- IOR number/FTZ applicant ID number
- Consignee number(s)

Data elements which must also be **transmitted 24 hours prior to loading, but are allowed to be updated with more accurate data up to 24 hours prior to U.S. arrival are:**

- Manufacturer/Supplier
- Ship to Party
- Country of Origin
- HTSUS number

The remaining required **data elements must be filed as early as possible, but no later than 24 hours prior to arrival in the U.S.:**

- Container stuffing location
- Consolidator (stuffer)

Following is a list of the applicable data elements, explanations, and indication if they are captured in the current CHB process:

1. Seller: **Usually the same as the manufacturer or supplier but could be different, this currently not required on a standard entry.**
2. Buyer: **Usually the same as the importer, but could be different, this is not required on a standard entry.**
3. Importer of record number/FTZ applicant identification number: **Part of current entry process**
4. Consignee Number: **Part of current entry process**
5. Manufacturer (or supplier): **Entry process uses MID codes, but 10+2 requires the full name and address info of the manufacturer/supplier**
6. Ship to party: **Usually the same as the consignee, but could be different, this is currently not required as part of a standard entry**
7. Country of Origin: **Part of current entry process**
8. HTSUS number: **Part of current entry process, entry required to the 10th digit, 10+2 requires a minimum of 6 digits unless using a FTZ, for which all 10 digits are required**
9. Container stuffing location: **Not part of current process**
10. Consolidator: **Not part of current process**

Penalties are \$5000.00 per incident of cargo arriving in the U.S. without proper "10+2" filing and it is fully the responsibility of the Importer of Record. (CBP will closely review ISF filing during the one-year enforcement grace period. This only implies leniency for those importers exhibiting good-faith effort during the trial period. **THE 10+2 RULE IS NOT OPTIONAL!**

Importers can choose to have a service provider, any party with a power of attorney and bond, complete the ISF on their behalf. As a U.S. Customs Broker, Associated Global Systems is ideally situated to file the ISF based on strict confidentiality laws and in-depth knowledge of the importers products. Keep in mind that the ISF attachment sheet must be filled out and sent to AGS in compliance with the 24 hour rule! The worksheet is only the necessary element to electronically file the ISF on your behalf, and not the actual ISF entry. This and other customs forms can be found at http://www.agsystems.com/customs_brokerage_forms.html.

AGS WILL NOT BE HELD RESPONSIBLE FOR ANY LATE FILINGS AND THE PENALTY WILL BE ISSUED DIRECTLY TO THE IMPORTER. THIS IS YOUR RESPONSIBILITY TO PROVIDE AGS WITH THE ISF INFORMATION SHEET BASED ON YOUR UPCOMING OCEAN IMPORT SCHEDULE. AGS SUGGESTS THAT WE RECEIVE THE ISF WORKSHEET NO LATER THAN 72 BUSINESS HOURS PRIOR TO LOADING TO INSURE COMPLIANCE ON YOUR BEHALF.

If you would like to find out more information about how Associated Global Systems can help you with 10+2, please contact me at agscustoms@agsystems.com.

For additional information on ISF:

- http://www.customs.gov/xp/cgov/trade/cargo_security/carriers/security_filing/
- http://www.customs.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml

Best regards,

Customs Broker