



Norman G Jensen Importer Security Filing

U.S. Customs and Border Protection (CBP) recently issued a notification to remind the trade that full compliance with the Importer Security Filing (ISF) requirements, for all ocean vessel shipments arriving into the United States, is effective **January 26, 2010**.

On January 26, 2009, the filing requirements for Importer Security Filing became mandatory. CBP expects all filers to be filing ISF data for any ocean shipment entering the U.S. While CBP has provided a one year flexible enforcement period to allow filers to work through various problems and to come into compliance with these requirements, the end of that time frame has passed. Please be sure ISF data is filed for every applicable ocean shipment that you are importing into the U.S..

For more information regarding the ISF Interim Final Rule or the ISF Sanctions and Mitigation Guidelines, please refer to the International Trade Updates (ITU) dated February 27, 2009 and August 10, 2009, respectively, or visit our [ISF web page](#). The five situations which CBP may initiate liquidated damages for an ISF Importer remain unchanged:

1. Failure to file an ISF. In addition to liquidated damages, CBP will withhold the release or transfer of the cargo until the agency reviews the required ISF information.
2. Late submission of an ISF. Liquidated damages will be issued for \$5,000.
3. Inaccurate submission of an ISF. Liquidated damages will be issued for \$5,000.
4. Inaccurate updates. Liquidated damages will be issued for \$5,000.
5. Failure to withdraw a filing. Liquidated damages will be issued for \$5,000.

NGJ continues to strongly recommend that all Importers of ocean freight begin filing their ISF Transactions immediately. NGJ is pleased to offer two services to help you submit your Importers Security Filing data on time and in compliance with the U.S. Customs and Border Protection Security Filing Rule.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

ISF EXPRESS KEY FEATURES

- Complies with all requirements of the new CBP Importer Security Filing Final Rule.
- Integrates seamlessly with CBP's Importer Security Filing system.
Adds your CBP-required Importer Security Filing (ISF) information – Buying Parties, Selling Parties, and Consignees -- enabling easy repeat data selection.
- Allows your overseas suppliers and carriers – with your approval – to use the ISF Express program to submit ISF data for shipments to the US.
- Enables users to cancel an ISF transaction, modify the information, and resend to CBP.
Enables users to print any ISF document or report, including *Accept, Reject, and Warning* or *No Match* messages.
- Allows users to send ISF data to CBP as necessary, with quick ISF data processing via NGJ to CBP.
- Notify users when CBP has accepted your ISF transactions
- Allows users to export data from their own system(s) directly into ISF Express, eliminating the need to key data more than once.

ISF EXPRESS HOW IT WORKS

- **Secure Connection** – NGJ ISF Express users log in over a secure connection to the NGJ Express Start Center web page.
- **Access to All Data** – From the Start Center, user has access to your ISF data, including Buying Parties, Selling Parties and Consignees, as well as Product information. Your information is stored on the NGJ secure server for easy reuse.
- **Drop-Down Menus** – Importer Security Filing can be completed using convenient drop-down selections that enable easy access to repetitive information.
- **Preparation Options** – NGJ ISF Express is used to complete your ISF information with CBP, including modifications or additions.
- **Validation and Transmittal** – Once the ISF shipment information is submitted, data is validated and transmitted to CBP.

In order to keep pace with CBP initiatives, NGJ continues to offer new programs featuring the latest technologies. To learn how to take advantage of NGJ's ISF solutions, or any of our other services, contact NGJ today!

TO KEEP UP ... SIGN UP! CALL TOLL-FREE: 1-888-NGJ-XPRS (1-888-645-9777) or email:

ISFexpress@ngjensen.com

www.ngjensen.com/isfservices.php

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

Importer Security Filing Options

Electronic Filing
Quick Overview

"ISF Express"

	OPTION A Importer Security Filing <u>Importer completed ISF's</u>
Annual Fee	\$125.00
One Time Account Set Up Fee	\$250.00
Data Profile Downloads	\$35.00 each
Security Filing (SF) Fee (Per Month)	
1 – 25 SF'S	\$9.00 each
25 + SF'S	\$7.50 each

"ISF Manual"

	OPTION B Importer Security Filing <u>NGJ completes on behalf of IOR</u>
Annual Fee	N/A
Monthly Service Fee	N/A
Per Security Filing (SF)	\$47.50
1 – 3 Line Items *	Included
Over 3 Line Items *	\$1.00 each

*Line Items include HTS Number, Country of Origin, & Manufacturer

Service Fees quoted in US Dollars

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

OPTION A: "ISF Express"

Importer Security Filing

Importer completed ISF's

- Internet (web) Based Application
- Filing Available 24/7
- Security Filing Number transmitted, automatically via email, to Interested Parties as designated by the Importer
- Power of Attorney issued to a US Customs Broker
- Security Filing is covered by the Importer's Bond
- Commercial Parties are kept confidential
- Searchable Security Filings based on Customer Reference Numbers
- Build your own Data Base for ease in Data Entry
- Importer decides who should have access to Security Filing Data
- Importer decides who may enter specific Security Filing Data Elements
- Time Stamped Acceptances, Warnings, Errors and Rejections
- Confirmation of work done by "On-Line" messages
- Improved Compliance ("Reasonable Care")

Annual Fee

\$125.00 per Account

Account Set Up Fee

\$250.00 per Account (one time fee)

Data Profile Download Fee

\$35.00 per Profile Download

1 - 25 Security Filings (SF) a Month	\$9.00 each
25+ Security Filings (SF) a Month	\$7.50 each

NGJ has set up a very basic monthly plan that will work for importers of all sizes. Service plans are based on the number of monthly Security Filings (SF) and Profile Downloads processed during the month (if any). Billing will be done at the end of each month and payment is payable upon receipt of the invoice.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

OPTION B: "ISF Manual"

Importer Security Filing
NGJ completes on behalf of IOR

- Manual Filing within 24 Business Hours *
- Data Entry performed by NGJ Customs Brokerage Services Staff
- Available during Normal Business Hours
- Security Filing Number transmitted, via email, to Interested Parties
- Power of Attorney issued to a US Customs Broker
- Security Filing is covered by the Importer's Bond
- Commercial Parties are kept confidential

* after receipt of completed worksheet; including all commercial party details as required by the Importers Security Filing regulations. Additional lead time may be required for Security Filings that contain more than ten (10) line items.

No Annual Fee

No Monthly Fee

\$47.50 / Security Filing (SF):

1 – 3 Line Items **

Included in Security Filing Fee

Over 3 Line Items **

\$1.00 Each

**** Line Items include HTS Number, Country of Origin, & Manufacturer**

Importer Security Filing Fees will be added to the NGJ's Customs Brokerage Invoice for Services as a separate line item. If NGJ does not process the Customs Entry, the Fees will be billed on a monthly basis.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

Software License Agreement

READ THIS BEFORE USING OR SIGNING UP FOR "ISF EXPRESS".

This Usage Agreement is applicable to Importer Security Filing Option A only.

Signing up and using "ISF Express" and related documentation accompanying this Agreement indicates your acceptance of this Agreement's terms and conditions. Read all of the terms and conditions of this agreement prior to signup or usage of "ISF Express". If you do not accept these terms, do not use "ISF Express".

By selecting the "I agree to the above terms and agreements" checkbox, your organization and employees ("Licensee") are bound by the terms of this Agreement. If Licensee does not agree to the terms of this Agreement, Licensee must not signup or use "ISF Express".

By selecting the "I agree to the "ISF Express" Option A Fee Schedule" checkbox, the "Licensee" is bound by the enclosed Fee Schedule, including the annual, account set up, and per security filing fees.

Usage Agreement

Norman G. Jensen, Inc. hereby grants the Licensee non-exclusive use of "ISF Express" subject to the following terms:

1. Licensee may: (a) transmit only information they consider valid and accurate; (b) understand and agree to Customs and Border Protection's (CBP) Importer Security Filing and Additional Carrier Requirements; Final Rule. (available through signup or CBP's Web site: http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filing/)
2. Licensee may not: (a) rent, lease, sell, distribute, or otherwise transfer rights to use "ISF Express".
3. Definitions:

ISF Importer

Licensee / Importer of Record

ISF Filer

Norman G Jensen, Inc.

Surety Bond

Importer's Customs Surety Bond, unless otherwise instructed.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

4. Power of Attorney:

Unless otherwise instructed, the Licensee authorizes Norman G Jensen, Inc. to act as the ISF Filer, as granted by the Customs Power of Attorney currently retained by Norman G Jensen, Inc.

Title

Norman G. Jensen, Inc. maintains the title, ownership, rights, and intellectual property rights in and to "ISF Express". "ISF Express" is protected by copyright law of the state of Minnesota and international copyright treaties.

Disclaimer

"ISF Express" is provided on an "AS IS" basis without warranty of any kind. To the extent permitted by law, Norman G. Jensen, Inc. disclaims all warranties without limitation, including but not limited to any implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The entire risk arising out of the use of "ISF Express" remains with the Licensee. To the extent permitted by law, Norman G. Jensen, Inc. shall in no event be liable for any consequential, incidental, indirect, special, or any other damages (including Liquidated Damages as provided for in the Importers Security Filing and Additional Carrier Requirements, Final Rule.) whatsoever (including, without limitation, damages for loss of business profits, business interruption, loss of business information, loss of data or other pecuniary loss) arising out of the use of or inability to use "ISF Express". Norman G. Jensen, Inc. reserves the right to change Importer Security Filing, this Agreement, or the Norman G. Jensen, Inc. website at any time, without prior notice.

Termination

Norman G. Jensen, Inc. may terminate this Agreement immediately should it decide to no longer support or update the "ISF Express". This Agreement shall terminate automatically if Licensee fails to comply with its terms and conditions and Norman G. Jensen, Inc. shall have no further obligation to Licensee. No notice shall be required from Norman G. Jensen, Inc. to effectuate termination for breach of the terms and conditions.

The Licensee may terminate the Agreement with a 30 day notice. Should Licensee terminate this Agreement, all outstanding fees become payable within 10 days after the termination date.

Applicable Law

Minnesota law shall govern all rights and obligations under this Software License Agreement.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

FAQs

Links to CBP's ISF FAQs:

http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/carriers/security_filing/import_faq.ctt/import_faq.pdf

http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/carriers/security_filing/10_2faq.ctt/10_2faq.doc

Q: What is Customs and Border Protection's (CBP) Importer Security Filing (ISF) Enforcement Strategy beginning January 26, 2010?

A: CBP has developed an ISF Strategy document for internal use only. There will not be an official publication of this strategy for the trade. However, details of the strategy as communicated by CBP in public venues are provided below.

- The strategy is to "gradually" escalate enforcement of ISF requirements
- CBP does not plan to focus on timeliness initially but considers an ISF filed a week late as unacceptable
- CBP will only look at new data in the next few months as a baseline for enforcement going forward
- The first quarter (3 months) of data will determine if liquidated damages will be issued in May or June
- CBP reserves the right to stop shipments for serious security risk even in the graduated enforcement mode
- Importers that fail to file ISF can expect to be warned by CBP
- Beginning in May, CBP will begin issuing liquidated damages and holds for shipments without ISF filing, and they will consider other avenues to mitigate security risks
- By the third quarter, CBP will issue liquidated damages, place holds on shipments, and take other enforcement measures on a regular basis, and begin evaluating the accuracy of ISF data
- Any claims for liquidated damages will originate in field offices; however, all claims will be processed and approved through CBP Headquarters (HQ) office for the first year to ensure uniformity across all ports of entry
- The normal protocol for processing liquidated damages claims will be employed
- Importers that filed ISFs in 2009 will have an advantage should liquidated damages be assessed as that record will be considered a mitigating factor

Q: Who has authority to waive liquidated damages claims?

A: CBP HQ will have the authority to waive liquidated damages for the first year. However, from CBP's perspective, they expect that importers will be more concerned about cargo holds than liquidated damages.

Q: Does CBP have an Automated Broker Interface (ABI) Bill of Lading Query available?

A: Yes, an ABI Bill of Lading Query is currently available. Planned additional functionality will allow a filer to query a bill number, and CBP will indicate whether the bill is on file, the type of bill (i.e., house, master, or regular/straight), and whether ISF has been filed against the bill. It is expected this feature will be available in the next few months.

Q: Shippers and importers using non-automated NVOs and Forwarders' have a unique problem in terms of getting bill of lading information to file ISF. The co-loader or carrier at times cannot use the non-automated NVO or Forwarder's House Bill of Lading (HBL), because non-automated entities do not have a SCAC code to make the bill number unique and avoid duplicates. In other cases, the carrier chooses to file the MBL as a straight or regular bill, where no underlying HBL's will be expected to be filed in AMS. This creates issues when an automated NVOCC sends house bill of lading information in AMS, and it does not properly attach to the master bill of lading. Consequently, this causes a bill mismatch between AMS and ISF. The carriers are instead creating their own "unique HBL" number. In either case, importers are not getting this unique HBL or simple bill to file in the ISF.

A: The trade will have to work together to resolve this issue through communication and training. If there is a bill

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

mismatch; CBP is working to develop an advisory message to inform the filer.

CBP will deal with bill mismatches on a case-by-case basis. However, CBP will consider this a compliance concern over time. To help the trade determine which bill and the type of bill on file with CBP, CBP has provided an ABI Query. For additional information, refer to the previous question on ABI Bill of Lading Query. To help alleviate problems, brokers need to request the lowest bill level submitted in AMS for ISF filing purposes, from the transportation filers as well as the importers.

Q: How much tolerance will CBP have going forward when bills do not match?

A: CBP will take a sensible approach and look at each incident on a case-by-case basis. Until CBP reviews this issue further, it is expected that the bill of lading information will be pursued with the transportation entities and the ISF will be filed using the best available data at hand.

Q: Will CBP phase bond enforcement and will CBP's systems have bond edits in place January 26, 2010?

A: Bonds are required beginning January 26, 2010. If an importer fails to provide bond information, CBP will analyze violations in the first quarter. Additionally, CBP will issue the importer a warning if they do not submit bond details. CBP's systems will not have edits making bond information mandatory immediately.

Q: The trade would like guidelines clearly outlining when ISF obligation terminates. Currently, the statute of limitation is 6 years from when ISF obligation begins which is 24 hours before loading. Can CBP simply make the bond obligation terminate in the same period as the entry liquidation process (i.e., one year) to be consistent?

A: CBP will explore the termination of the ISF bond obligation within the liquidation period if feasible. CBP is willing to consider 30 to 90 days to terminate the bond obligation for untimely filed ISF. However, the Office of Regulations & Rulings has indicated that this will require further review. It should be noted that the discussion is in a very preliminary stage of development. NCBFAA will submit a proposal to CBP defining a mechanism and the time lines to terminate the ISF bond obligation.

Q: If the importer secures the ISF with a single transaction bond and the ISF is later withdrawn, how and when will CBP cancel the bond obligation?

A: CBP has not decided how to address this issue yet. The issue is still under review by the Revenue Division.

Q: Previously, CBP has stated a number of times that goods moving through a U.S. port to be exported under an inbond (i.e., I.E. or T.E.), and the ISF filer files an ISF-10, the ISF-10 does NOT have to be updated with an ISF-5. CBP has even stated they would prefer an ISF-10 because of the additional data provided compared to an ISF-5.

A: There is no need to update ISF-10 with an ISF-5 in this scenario. In fact, CBP prefers to have an ISF-10 filed, and will add this clarification in the next iteration of FAQs. However, there are protocols in place to govern diversions for inbonds that will require further review.

Q: In the scenario involving freight arriving in Long Beach, CA that moves on an I.T. to a port on the Southern Border, then a I.E. is later filed to export the freight to Mexico. Who is the ISF importer for the ISF-5? Will CBP accept a non-resident MX company as the ISF importer?

A: In the scenario where the freight is under an I.T. to the border and is later cancelled by an I.E., an ISF-10 is required to be filed even if the freight will be exported. As an alternative, if a T&E will be filed from Long Beach to the border, then an ISF-5 should be timely filed. The Interim Final Rule states for I.E. and T&E, the party filing the inbond has responsibility for ISF. CBP acknowledges this is problematic, but there is always someone in the U.S. who has awareness about the shipment that should step forward and timely file the ISF-5.

Q: If a broker files inbond documentation merely as the attorney-in-fact (i.e., agent), does the broker have to be the ISF Importer?

A: Yes, CBP provided guidance in the Interim Final Rule regarding who could and would be the ISF importer. For I.E. or T&E in bond shipments, the ISF Importer is the party filing the I.E. and T&E documentation. The party obligating their bond is a decision made by the parties involved in the transaction.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

Q: For an ISF-10 for FTZ entries, the filer reports the applicant on the 214 as the broker to ensure compliance with direct delivery authorization. However, the filer reports the actual importer of record on the entry paperwork (i.e., CBP Forms 3461/7501). Please clarify what "FTZ documentation" means in 149.1(a). Does it mean the 214, or does it mean the 3461/7501?

A: The ISF Importer for ISF-10 for FTZ entries is the filer of the 214. The FTZ Association has requested CBP change this rule to require the responsible party for the goods going into the zone not the party that merely files the documentation to enter the goods into the zone. CBP is considering this request.

Q: For ISF Appendix D Continuous bonds, will the processing time be the same as 301 entry bonds?

A: The CBP Revenue Division will process ISF Appendix D Continuous bonds in the same time frame as 301 bonds.

Q: How will CBP review and determine the accuracy for ISFs?

A: CBP will take a layered approach when reviewing data to determine ISF accuracy that consists of reviewing manifest, ISF, and the customs entry. CBP plans to use C-TPAT data as well. CBP will determine if parties are legitimate, and eventually will look at entry data and the HTS to see if they are consistent.

Q: How will CBP handle duplicate ISF filings? Which ISF will CBP consider correct?

A: In the future, CBP plans to advise filers of duplicate ISFs with a message. Filers in turn should advise the importer. CBP expects importers to be close enough to the transaction to know which filing is correct.

Q: There is still confusion and misunderstanding around ISF-5s for FROB. Some carriers (Vessel Operating Carriers) think if the shipper is an NVO and the NVO refuses to provide the data to file ISF, CBP will not require carriers to file the ISF at the house bill level. The concern is the NVO may not want to share client information because of a commercial interest.

Additionally, some carriers are under the impression CBP will not require the carrier to issue an NVO who wants to file ISF for FROB a POA or letter or agreement to act as the ISF Agent.

A: For FROB, in the Interim Final Rule, the carrier (i.e., vessel operator) is the ISF Importer and is responsible to file ISF. CBP has announced plans to redefine the definition of carrier in 149.1a to be consistent with 4.7a to redefine carrier to include NVOs, however it is recommended that NCBFAA members rely on the regulations until the regulations have been changed.

Q: Will CBP send surety copies of warning letters for importers notified by CBP of any non-compliant ISFs?

A: Since a warning letter is not an actual liquidated damages claim, CBP will not provide a copy of warning letters to sureties.

Q: Will CBP provide a message to entry filers in ABI if CBP decides to withhold release for shipments without an ISF?

A: Currently, CBP cannot provide entry filers with a hold message in ABI. However, CBP may at some time in the future. In the interim, importers should inform the broker if ISF was filed.

Q: When does CBP anticipate providing ISF Progress Reports for ISF-5s?

A: CBP is evaluating this, but it is a low priority at this point.

Q: How will CBP measure timeliness for ISF?

A: CBP measures ISF timeliness based on the actual vessel departure date minus 24 hours. Based on the latest statistics, the trade is doing well in regards to filing ISF timely.

Q: When will CBP provide ISF transaction data to the trade?

A: The filer has transaction data they can provide to the importer; therefore, CBP will not send the same data back. Filers are already getting error messages for each transaction electronically.

Importer Security Filing (ISF Express)



Norman G. Jensen, Inc.

"On The Spot to Serve" Since 1937

Q: Why are so many items on the Progress Report not measured?

A: When a filer submits an "Add", CBP measures it. However, when a filer submits a replacement or withdrawal neither of these are measured in terms of timeliness. Additionally, there is no measurement available if the carrier did not provide a departure date. CBP will remove these items from the report if the trade requests it.