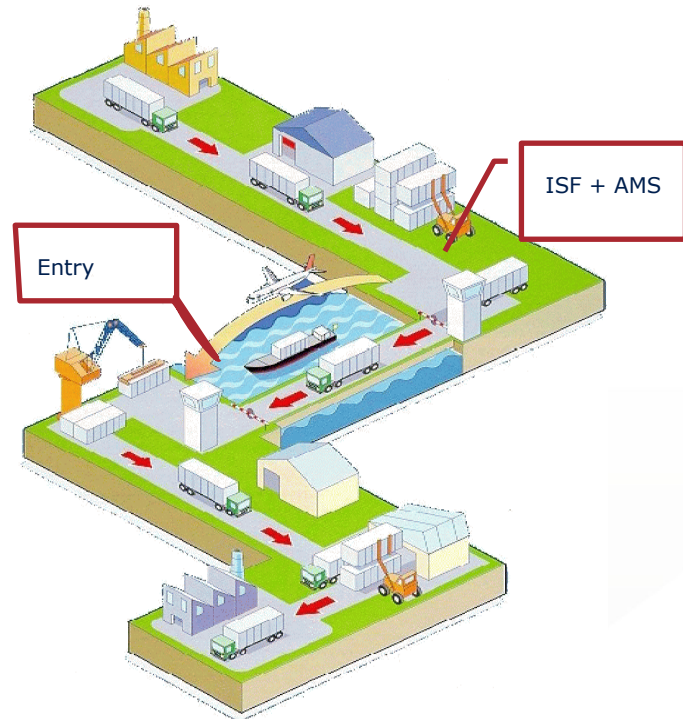


United States Importer Security Filing (ISF)

Importer Security Filing (ISF)

Background: To help prevent terrorist weapons from being transported to the United States, Customs and Border Protection (CBP) is requiring importers and carriers to submit additional information pertaining to cargo to CBP before the cargo is brought into the United States by vessel. This information must be submitted to CBP by way of CBP-approved Automated Commercial Environment (ACE) system. The required information is reasonably necessary to improve CBP's ability to identify high-risk shipments so as to prevent smuggling and ensure cargo safety and security. The following summary addresses only the importer requirements for cargo entered for consumption within the customs territory of the U.S.



The Rule: An Importer Security Filing (ISF) is required for each shipment consigned to the US by vessel at the lowest bill of lading level (i.e., at the house bill of lading level, if applicable). The ISF is separate from the Automated Manifest System (AMS), but the Bill of Lading reported on the AMS must match the Bill of Lading in the ISF message header.

The Importer Security Filing consists of 10 elements that must be transmitted to CBP 24 hours before vessel lading at origin. The 10 elements are as follows:

- (1) Seller
- (2) Buyer
- (3) Importer of record number / Foreign trade zone applicant identification number;
- (4) Consignee number(s)
- (5) Manufacturer (or supplier)
- (6) Ship to party
- (7) Country of origin
- (8) Commodity HTSUS number
- (9) Container stuffing location
- (10) Consolidator (Stuffer)

Effective Date: The rule took effect on January 26, 2009

Who is Responsible for Filing: The party required to submit the Importer Security Filing (ISF) is the party causing the goods to enter the limits of a port in the United States. This party is known as the "ISF Importer" and can be the owner, purchaser or consignee. The ISF Importer is responsible for making

sure both the 10 elements are submitted timely and that the ISF Filer receives a “Bill of Lading Matched” message from ACE. Failure to confirm both of these pieces of information can result in penalties.

Who can File: The ISF importer may file on their own as long as they have access to ACE. The ISF importer as a business decision, may designate an authorized agent, such as a licensed customs broker, to file the Importer Security Filing on the ISF Importers behalf. A power of attorney is required for the designation of the Agent. The ISF filer must be able to transmit via ACE. There can only be one filer per shipment.

Bond Requirement: The regulations have been amended to require the ISF importer to possess one of the required bonds or to have an agent post the agent’s bond when submitting an Importer Security Filing. The regulations do not address when the bond liability terminates. This means that the filer must either have a bond or have a power of attorney from the owner, purchaser or consignee to use their bond. Noatum Logistics will not post our bond for the filing of a client’s Importer Security Filing. It is more cost effective for the ISF importer to have a Continuous Bond that covers both the ISF and the entry that follows rather than post separate bond. If the principal defaults with regard to any obligation, the bond principal (either the importer or agent) and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

Penalty: If the ISF importer fails to timely, accurately, and completely submit the Importer Security Filing, the ISF importer will be subject to a claim for liquidated damages in the amount of \$5,000 per Importer Security Filing.

- CBP published Mitigation Guidelines governing late or inaccurate submissions. Depending on circumstances, the first violation can be mitigated to an amount between \$1,000 and \$2,000; subsequent violations may be mitigated to an amount not less than \$2,500.
- CBP will detain and/or seize shipments where no ISF has been filed, plus the importer is subject to penalties equal to the value of the shipment.
- Certified Tier 2 or Tier 3 C-TPAT members may receive additional mitigation up to 50% of the normal mitigation amount, based upon the applicable C-TPAT tier.

ISF Form: Noatum Logistics has created a ISF Form that can be used to complete all the required elements [here](#).

Noatum Professional Assistance: Noatum Logistics can provide specific implementation recommendations and professional advice; staff training and pre-shipment compliance services required by the new Rule. For additional information and assistance, please contact your assigned account manager or the Noatum Logistics Global Trade Management Team.
