



FMC license# 4128NF

## Importer Security Filing (ISF or 10+2) Fact Sheet

### **Introduction**

Importer Security Filing (ISF) is also known as “10+2”. The official name of the program is “Importer Security Filing and Additional Carrier Requirements.” The Importer Security Filing (ISF) covers the “10” and the Additional Carrier Requirements cover the “+2.”

ISF is an entirely new business process expanding the importer’s sphere of accountability back to the point of container stuffing. ISF is meant to enhance U.S. Custom’s ability to identify and target risky shipments by requiring additional data elements prior to loading at the foreign port. Improved targeting of high risk shipments will result in fewer exams for low risk shipments. ISF identifies the parties in the supply chain and enables them to be checked against a list of parties known to carry out illegal or sanctioned activities. Shipments from or handled by sanctioned parties may be prohibited from loading or may be rejected upon arrival.

The ISF is for security and targeting purposes only. It is not intended for commercial or trade enforcement purposes or for determining entry. However, Since AMS and customs entry data overlap ISF data, Customs will be comparing the ISF to AMS and the customs entry data to analyze and assess risk and to validate the ISF data.

ISF information is exempt from disclosure under the Freedom of Information Act (FOIA) so importers need not worry about their supplier relationships becoming public.

### **Background**

Customs has been contemplating a program like 10+2 for many years as part of their efforts to push supply chain security beyond our borders all the way back to the point of stuffing. The Security and Accountability for Every (SAFE) Port Act was passed in October 2006 and put into law the requirement to report advance cargo information prior to loading on vessels at foreign ports. A Notice of Proposed Rulemaking for 10+2 was published in January 2008. A Final Rule was published in November 2008. Enforcement and penalties

The effective date of 10+2 was January 26, 2009. Customs advised they would show “restraint” in enforcement during the first year. Full enforcement was to take effect January 26, 2010, however that date was pushed back.

**CBP recently announced that as of July 9, 2013, the agency will begin full enforcement of the "Penalty" provisions of the regulations and will begin issuing "Liquidated Damages" against importers and in some cases carriers who are not compliant. These penalties can be up to USD \$5,000.00 per occurrence. Multiple violations can have other penalties associated with noncompliance that can affect an importer's import privileges.**

### **10+2 Data Elements**

1. **Seller** – Name and address of the last known entity by whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided. The seller information is generally available on the commercial invoice.



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2. **Buyer** – Name and address of the last known entity to whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided. The buyer information is generally available on the commercial invoice. If the goods are sold in transit and the buyer information changes, the ISF must be amended.
3. **Importer of Record number/FTZ Applicant ID number** – The IRS number, EIN, Social Security number, or Customs assigned importer number of the entity liable for payment of all duties and responsible for meeting all statutory and regulatory requirements incurred as a result of importation. For Foreign Trade Zone shipments, the IRS number of the party who files the documentation must be reported. If the importer of record on the entry is not the same as the importer that files the ISF, any ISF penalty would be against the party whose bond is posted for the ISF.
4. **Consignee number** – The IRS number, EIN, Social Security number, or Customs assigned imported number of the individual or firm in the U.S. on whose account the merchandise is shipped.
5. **Manufacturer (or supplier)** – Name and address of the entity that last manufacturers, assembles, produces, or grows the commodity, or the name and address of the party supplying the finished goods in the country from which the goods are leaving. Customs will be allowing some flexibility with this data element during the first year, but it must be updated once known, no later than 24 hours prior to arrival at the port of discharge. Remember that for textiles, we must have the actual manufacturer for entry purposes.
6. **Ship to party** – Name and address of the first deliver-to party scheduled to physically receive the goods after the goods have been released from Customs custody. Customs believes this information will give predictability to targeting. If the ship to party is unknown, the facility where the goods will be unladen (e.g., pier) can be reported. If there are multiple delivery stop offs, only the first one is reported. Customs will be allowing some flexibility with this data element during the first year, but it must be updated once known, no later than 24 hours prior to arrival at the port of discharge.
7. **Country of origin** – Country of manufacture, production, or growth of the article, based upon the import laws, rules and regulations of the U.S. This is the same information declared on the Customs entry. Customs will be allowing some flexibility with this data element during the first year, but it must be updated once known, no later than 24 hours prior to arrival at the port of discharge.
8. **Harmonized Tariff Schedule number** – Tariff number under which the article is classified in the HTSUS. The final rule requires 6 digits. This means all goods will need to be pre-classified. Customs will be allowing some flexibility with this data element during the first year, but it must be updated once known, no later than 24 hours prior to arrival at the port of discharge.
9. **Container stuffing location** – Name and address(es) of the physical location(s) where the goods were stuffed into the container. For break bulk shipments, the name and address(es) of the physical locations(s) where the goods were made “ship ready” must be provided. A “scheduled” stuffing location will be acceptable, but once the actual stuffing location is known, the ISF must be amended prior to arrival. We do not need to report which container was stuffed where (the container number is not required to be reported with the ISF).



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10. **Consolidator (stuffer)** – Name and address of the party who stuffed the container or arranged for stuffing of the container. For break bulk shipments, the name and address of the party who made the goods “ship ready” or the party who arranged for the goods to be made “ship ready” must be provided.

The “+2” data elements which are entirely the responsibility of the steamship line are:

1. Vessel stow plan
2. Container status messages

### **Bill of Lading Number**

In addition to the 10 ISF data elements, the bill of lading number must be reported to tie the ISF to the ocean carrier’s manifest data and to the customs entry. If the bill of lading is split in transit, a new ISF will need to be filed for each new B/L and the original ISF will need to be amended.

### **Who is responsible?**

The ISF Importer is responsible for the timely, accurate, and complete submission of the 10 data elements in the ISF.

The steamship line is responsible for the +2 container tracking reports.

For FTZ shipments, I.E.’s and T&E’s, the party that files the documentation will be responsible for the ISF.

### **What kinds of shipments need 10+2?**

10+2 is for ocean cargo only. An ISF must be filed for containerized cargo, break bulk shipments, and for Ro-Ro shipments. Bulk cargo (e.g., grain, coal, oil) is exempt. Goods arriving via vessel into Canada or Mexico and subsequently trucked or railed into the U.S. are exempt from 10+2.

### **When must the ISF be filed?**

The following data elements must be filed no later than 24 hours before cargo is laden aboard the vessel at the foreign port:

- Seller
- Buyer
- Importer of record number/FTZ applicant ID number
- Consignee number
- \*Manufacturer/supplier
- \*Ship to party
- \*Country of origin
- \*HTS number

For the \* items, submit the best available information. Customs will be flexible during the first year and allow updates up to no later than 24 hours prior to arrival at the port of discharge.

ISF for break bulk cargo must be filed no later than 24 hours prior to arrival at the port of discharge.

The following data elements must be filed as early as possible, but no later than 24 hours prior to arrival at the port of discharge:

- Container stuffing location
- Consolidator (stuffer)



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### **ISF-5 – FROB, I.E. and T&E**

Only 5 data elements are required for FROB (foreign cargo remaining on board), I.E. and T&E cargo. This type filing is known as ISF-5. The data elements are:

1. **Booking party** – Name and address of the party who initiates the reservation of the cargo space for the shipment
2. **Foreign port of unloading** – Schedule K port code is allowed
3. **Place of delivery** – the foreign location where the carrier's responsibility for the transport of the goods terminates
4. **Ship to party** – Name and address of first deliver to party scheduled to physically receive the goods after the goods have been released from Customs custody
5. **HTS number**

It is not necessary to file the in bond paperwork before filing the ISF.

You must first have permission from the port director, and only after a complete ISF has been filed:

- If the T&E is diverted (an I.E. cannot be diverted)
- If the I.E./T&E is converted to a consumption entry
- You must request permission in writing to the original port of unloading
- The filing party is liable if they fail to request permission for diversion

Amending/Canceling the ISF

If the ISF needs to be amended, it must be updated before the shipment enters the limits of the port of discharge. Only the party who originally filed the ISF is permitted to update the ISF. If you are converting a consumption entry to an I.E./T&E, then the 5 data elements (ISF-5) must be reported.

The ISF may be withdrawn if the goods are no longer intended to be imported into the U.S. Only the party who originally filed the ISF is permitted to withdraw it. You must include a reason for the withdrawal.

### **Bonds**

The ISF Importer is required to post a bond to secure the timely, accurate, and complete ISF. Customs has amended the entry bond conditions to include ISF provisions where the importer agrees to comply with ISF requirements. An importer's existing continuous bond will now cover the Importer Security Filing. There will be no need to get a new bond, nor is Customs requiring additional coverage (increased liability) on existing bonds. If you do not have a continuous bond, please contact your customs broker.

### **Penalties**

Customs will be enforcing 10+2 through the assessment of liquidated damages, in addition to penalties applicable under other provisions of law. Customs can assess liquidated damages up to \$5,000.00 for violations, such as failure to submit the ISF timely, accurately, or completely. Liquidated damages will be assessed against the holder of the bond posted for the ISF. Mitigation will be the exception, not the rule. C-TPAT status will be taken into account with mitigation, but each liquidated damages case will stand on its own.

Please see [www.cbp.gov](http://www.cbp.gov) for more information and Customs contacts if needed.