



**Asia-Pacific
Economic Cooperation**

2011/MAG/WKSP1/007

United States Importer-Based Self-Certification System and ICT Requirements

Submitted by: United States



**Self-Certification Pathfinder Phase 2:
Capacity Building Workshop 2
Manila, Philippines
10–11 February 2011**

U.S. Importer-Based Self-Certification System and ICT Requirements

Eric Holloway
Office of the U.S. Trade Representative

1

U.S. Importer-Based Self-Certification System

- Importer-based Certification
- Process for Importing Goods
- Verification of Trade Preference Claims
- Record Keeping Requirements
- Importer Certification/Declaration
- Supporting Documentation
- Technological Support Requirements

2

CBP Form 7501

The Special Program Indicator is placed before the Harmonized Tariff Schedule number on the CBP Form 7501.

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection ENTRY SUMMARY				1. File Number: 888-00104929		2. Entry Type: 01		3. Summary Code: 10-08-xx	
8. Importer/Carrier: S.S. SANTA MARIA				9. Mode of Transportation: 11		10. Country of Origin: TW		11. Import Date: 10-03-XX	
12. Importer/Carrier: NOSU 21233382				13. Manufacturer ID: TWFIGINC40TAI		14. Entry Country: TW		15. Entry Date: 08-03-XX	
16. I.T. No.:				17. I.T. Code:		18. Mailing Class:		19. Entry/Port of Loading: 5830	
20. Location of Goods/D.O. No.:				21. Consignee No.:		22. Importer No.:		23. U.S. Port of Unloading: 1702	
24. Ultimate Consignee Name and Address: CVS Pharmacy Inc. One CVS Drive Attn: Import Department Woonsocket, Rhode Island 02895-6195				25. Importer No.:		26. Importer of Record Name and Address: CVS Pharmacy Inc. One CVS Drive Attn: Import Department Woonsocket, Rhode Island 02895-6195		27. Reference No.:	
27. Description of Merchandise:				28. HTSUS Rate:		29. HTSUS Rate:		30. Duty and I.R. Tax:	
001	775 CTN PVC DOLLS								
	Dolls representing only human beings and parts and accessories thereof. Dolls, whether or not dressed...Other								
	9502.10.0060	13185 KG	7,750 NO		\$78,175	FREE		\$0.00	
	MERCHANDISE PROCESSING FEE					0.21%		\$164.16	
Other Fee Summary for Block 30:				35. Total Entered Value		CBP USE ONLY		TOTALS	
MPF	449	\$164.16							0.00
HMF	501	\$ 97.72			\$ 78,175.00				
					Total Other Fees \$ 261.88				
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT				REASON CODE:		D. Accretion Other		38. Other	
I declare that I am the <input type="checkbox"/> Importer of record and that the actual owner, purchaser, or consignee for CBP purposes is as shown above. OR <input checked="" type="checkbox"/> owner						E. Accretion Total		40. Total	
or purchaser or agent thereof. I further declare that the merchandise <input checked="" type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoice are true. OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoice as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP officer any information showing a different state of facts.								261.88	
41. Declarant Name: D. J. POWERS CHB				Title: President		Signature: D.J. Powers		Date: 10-08-XX	
42. Broker/Fee Information (Name, address, phone number)				43. Broker/Importer Fee No.:		44. Paperwork Reduction Act Information click below.			

Verification of Trade Preference Claims

- CBP verifies trade preference claims after goods are released
- Verification candidates chosen based on risk management principles
 - Not every trade preference claim verified
- Information used to analyze and assess risk is collected and processed electronically

Verification of Trade Preference Claims

- Risk assessments include:
 - Trade Compliance Measurement program
 - Establishes baseline
 - Enables CBP to determine risk
 - Other information:
 - Allegations
 - Compliance history
- Used to select verification candidates

7

Automated Targeting System

- ATS is a key component in CBP's layered enforcement strategy utilizing risk management
 - A rules-based decision support system
 - Integrates law enforcement and commercial data
 - Utilizes historical data and trend analysis
 - Incorporates CBP and other Government agency database information
 - Adapted for use in all modes: sea, land, rail, and air
 - Evaluates large data sets

8

More About ATS

- Identifies high risk targets
- Facilitates low risk passengers and cargo for expedited clearance or entry
- Flexible and fast system - addresses specific and generalized threats with quick results
- Supports alerts and lookouts
- 100% screening of all cargo shipment data
- ATS continually updates its assessments when new data is received.
- Functions as a research tool, enabling users to create ad hoc queries to filter data to meet specific research needs
- Can be changed rapidly to leverage new intelligence and techniques in fluid operational environments

9

Verification of Trade Preference Claims

- Import specialist review:
 - Records requested from importer
 - Determination made and issued in writing by import specialist
- There is also a post-release audit process
 - Same rules apply

10

Recordkeeping Requirements

- Importers must have information available to substantiate their trade preference claim *upon request* by CBP
 - Certification/Declaration
 - Supporting documentation
- U.S. free trade agreements have a 5-year recordkeeping requirement for any party that certified that the good qualifies for a preference
 - Exporter/producer must maintain records if he supplied a certification that goods qualify for the preference program

11

Importer Certification/Declaration

- No set format required
- Does not need to be signed and in importer's possession at the time of the claim
- May apply to a single shipment of goods, or multiple shipments of identical goods within a specified period (up to one year in U.S. free trade agreements).

12

Supporting Documentation

- Supporting documentation requested by CBP depends on how a good qualifies for preference
- Some examples of documents that may be requested include:
 - Affidavits from growers (wholly obtained)
 - Bill of materials showing classification, country of origin and value of all materials
 - Invoices for the purchase of materials used to produce final good
 - Affidavits from producers of qualifying materials
 - Production records

13

Technological Support Requirements

- CBP utilized existing systems to implement importer self-certification
- No additional technological requirements placed on the importer
- All trade preference claims are verified and audited post-entry
 - Supporting documentation provided to CBP upon request

14

ICT Legal Requirements

- 1993 Customs and Modernization Act (Mod Act)
 - Legal foundation for the CBP Modernization effort; promotes the concept of “shared responsibility”
 - Outlined requirements for automation and emphasized electronic trade processing
- Trade Act of 2002
 - Requires the submission of advance electronic cargo information
 - On February 11, 2008, CBP implemented mandatory electronic truck manifest (e-Manifest) filing at remaining land border ports, marking the implementation of mandatory e-Manifest filing at all 99 U.S. land border ports of entry
 - E-manifests represent 99 percent of manifests filed

15

Electronic Systems

- Automated Commercial System (ACS)
 - A comprehensive system that tracks, controls, and processes commercial goods imported into the U.S.
 - ACS was built in the 1980s
 - ACS uses Electronic Data Interchange (EDI) technology to exchange data between CBP and the trade
 - The central point through which export shipment data required by multiple agencies is filed electronically by exporters to CBP

16

Electronic Systems

- Automated Commercial Environment (ACE)
 - ACE modernizes and enhances trade processing with features that will consolidate and automate border processing and will replace ACS
 - It provides a centralized online access point to connect CBP and the trade community
 - ACE interfaces with and consolidates information from the Automated Targeting System, Traveler Enforcement Compliance System/National Crime Information Center, Free and Secure Trade and the ACS via the ACE Secure Data Portal
 - ACE facilitates collection and distribution of standard electronic import and export data required by all Federal agencies via the International Trade Data System

17

Vision for ACE

- Vision
 - Single window filing: A single place for the trade community to submit data required by all Federal agencies for the clearance of cargo
 - Inter-agency data sharing: Dissemination of international trade and transportation data to all federal agencies involved in import, export, and transportation-related decision making
- Status
 - 46 participating government agencies
 - More than 500 ACE end users

18

Key Advantages of ICT Systems

- Allows trade participants to better manage their information
- Expedites legitimate trade by efficiently processing imports/exports and moving goods quickly across the border
- Facilitates efficient collection, processing, and analysis of commercial import and export data
- Improves communication, collaboration, and compliance efforts between CBP and the trade community

19

Key Advantages of ICT Systems

- Provides significant cash flow advantages by allowing the payment of duties and fees on a monthly basis
- Allows access to transactional, financial, and compliance data
- Reduces redundant and time consuming paper processes
- Provides an information-sharing platform for trade data throughout the Government via the International Trade Data System (ITDS) initiative

20

Key Advantages of Importer Self-Certification

- Aligns importer obligations with benefits
 - Importer receives the duty benefit and is ultimately responsible for the veracity of their free trade agreement claim
 - CBP has no authority over exporters, but can sanction importers that make false claims
 - Importers with knowledge of the production process no longer have to rely on the producer or exporter certification

21

Key Advantages of Importer Self-Certification

- Reduces costs
 - In line with existing importation procedures; no need to complete additional government forms
 - No delay or cost in obtaining a certificate of origin from the exporter or producer
 - Eliminates the need for traders to complete a form and keep the form as paperwork
 - Cuts down on costs of customs administration, as verification of exporters can be costly

22

Key Advantages of Importer Self-Certification

- Provides greater flexibility to importers and customs
 - Allows importers to claim preferential treatment based on actual knowledge of the production process, or reliance on certification by the producer or exporter
 - No need for customs to verify a certificate of origin, so goods can move quickly through the border. Verifications conducted based on risk-assessment techniques and only after goods are released
 - Provides both the importer and the exporter the flexibility to accommodate supply chains