



**Asia-Pacific
Economic Cooperation**

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United States Importer-Based Self-Certification System

Submitted by: United States



**Self-Certification Pathfinder Workshop
Ha Noi, Viet Nam
28-29 July 2011**

U.S. Importer-Based Self-Certification System

APEC Workshop on Self-Certification

28 – 29 July, 2011

Ha Noi, Viet Nam

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Office of the U.S. Trade Representative

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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

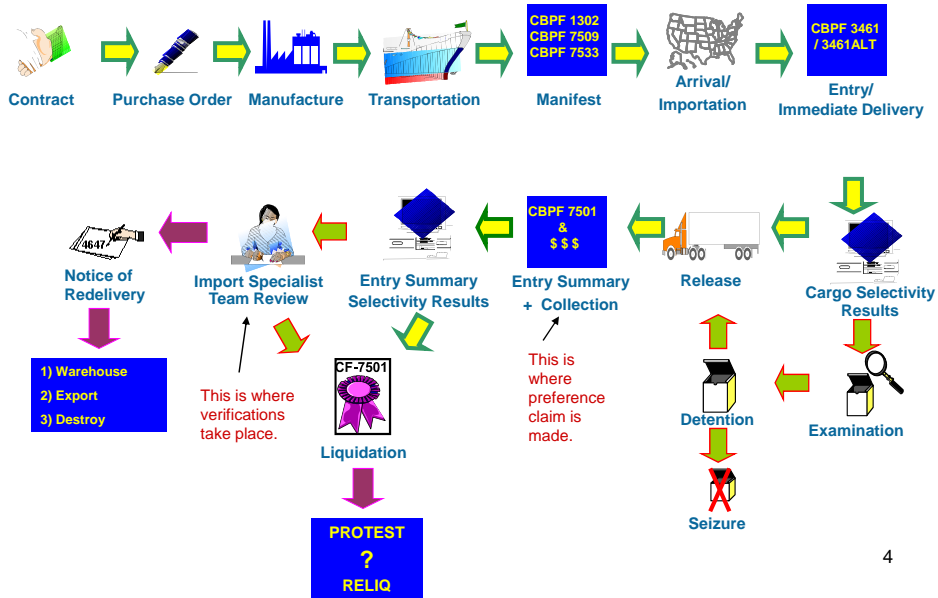
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Importer-Based Certification System

- Allows an importer to make a claim for trade preference based on:
 - Importer knowledge of the production process
 - Reliance on certification by the producer or exporter with knowledge of the production process
 - If the importer learns that the information on which he relied is incorrect, the importer must correct or withdraw the claim
- No additional technological requirements are required for importers who make trade preference claims

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Process for Importing Goods



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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				Paper Importer Only Use - 10/1/2007			
1. Entry Summary No. 888-00104929		2. Entry Type 01		3. Harmonized Code 10-08-xx		4. Entry Date 10-03-XX	
5. Entry No. 089		6. Bond Type 1702		7. Entry Date 10-03-XX		8. Entry Date 08-03-XX	
8. Importer Name S.S. SANTA MARIA		9. Mode of Transportation 11		10. Country of Origin TW		11. Import Date 10-03-XX	
12. Bill of Materials No. NOSU 21233382		13. Manufacturer ID TWFIGINC40TAI		14. Exporting Country TW		15. Export Date 08-03-XX	
16. I.T. No.		17. I.T. Code		18. Missing Check		19. Foreign Port of Loading 5830	
20. U.S. Port of Call 1702		21. Location of Goods (U.S. No.) LGB		22. Consignee No. 56-168234000		23. Importer No. 56-168234000	
24. Importer Name and Address CVS Pharmacy Inc. One CVS Drive Attn: Import Department Woonsocket, Rhode Island 02895-6195				25. Importer of Record Name and Address CVS Pharmacy Inc. One CVS Drive Attn: Import Department Woonsocket, Rhode Island 02895-6195			
26. Shipper Name and Address CVS Pharmacy Inc. One CVS Drive Attn: Import Department Woonsocket, Rhode Island 02895-6195		27. Shipper Name and Address CVS Pharmacy Inc. One CVS Drive Attn: Import Department Woonsocket, Rhode Island 02895-6195		28. Country of Origin TW		29. U.S. Port of Call 1702	
30. Description of Merchandise 775 CTN PVC DOLLS		31. HTSUS No. 9502.10.0080		32. Gross Weight 13185 KG		33. Net Quantity in HTSUS Units 7,750 NO	
34. Entered Value \$78,175		35. Duty Rate FREE		36. Duty and L.R. Tax \$0.00		37. Other Fees \$164.16	
38. Declaration of Importer of Record (Owner or Purchaser) or Authorized Agent 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 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 setter 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.		39. Total Entered Value \$78,175.00		40. Total 261.88		41. Declaration Date 10-08-XX	
42. Broker/Filer Information (Name, address, phone number) D. J. POWERS CHB President		43. Signature D.J. Powers		44. Date 10-08-XX		45. Other 261.88	

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

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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

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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

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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).

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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

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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

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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

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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

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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

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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

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