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Notes



Importer Security Filings Could Be a Hidden Pitfall for International Exhibitors

By Michelle Bruno

U.S. Customs and Border Protection (CBP) is serious about its rules and regulations, especially when the security of the country is at stake. CBP makes its point known not only by refusing clearance to international shipments for U.S. trade shows, but also by levying fines and penalties for non-compliance. The days of waving goodbye to a shipment at the warehouse and seeing it again on the booth in the U.S. are long gone. Fines—of up to \$5,000 per occurrence—can be levied on the importer (exhibitor) when any member of the supply chain fails to meet the regulatory obligations.

The requirements

On January 26, 2010, U.S. Customs and Border Protection (CBP) began enforcing the *10+2 Initiative* for ocean freight shipments, which requires that importers (with the help of their freight forwarder and customs broker) file an Importer Security Filing (ISF) form at least

24 hours or more before the sailing of the ocean vessel. It takes a “village” to pull all of the details together on time.

The ISF form is assembled in a two-part process:

- 1 The international freight forwarder must obtain the following information from the steamship line or consolidator **at the time of booking**:
 - Vessel name and voyage number
 - Master B/L number and steamship line
 - Co-loader AMS SCAC code. (If multiple co-loaders, Master co-loader AMS SCAC code and B/L number is required).
 - Foreign port of lading
 - ETD & ETA
 - Container number and size
 - Port of arrival

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② The international forwarder must provide the ISF data as soon as it receives the above information from the steamship line to the importer or their customs broker as their agent. The following additional information must also be included on the ISF form:

- Harmonized Tariff Codes/descriptions for the product(s)
- Buyer name and address
- Seller name and address
- Container stuffer name and address
- Manufacturer of the goods (consisting of proper name, address, city and zip code)
- Country of Origin

Tips for managing the ISF process

Exhibitors can help themselves avoid delays and any other repercussions by becoming more involved in the shipping process. Of course, there are knowledgeable exhibition freight forwarders to assist, however, when the exhibitor (as the importer) is subject to the consequences of a poorly handled process, it makes sense for them to get involved early in the process. Here's a list of helpful tips:

- Select a freight forwarder/customs broker familiar with the ISF requirements. It helps to work with a company that has a tight supply chain or overseas offices in direct contact with the U.S. customs broker.
- Build the collection of all required information for the ISF into the exhibits and equipment ordering and exhibit participation process.
- Place the task of following up on the ISF form filing (again, for ocean shipments only) on the master checklist of things to do to prepare for the exhibition. Exhibitors can monitor the broker's (most of the filings

are made by customs brokers on behalf of exhibitors) progress via the Automated Commercial Environment (ACE) program. Signing up for ACE is free and can be done online.

- Send the information required for the filing to the customs broker at least 72 hours in advance of the vessel departure. This gives them time to prepare the filing due 24 hours before the vessel departs.
 - Bear in mind that with each different seller (display house, product, giveaways, electronics), additional ISF forms have to be filed. While it may not hugely impact the exhibitor's selection of items to ship for the exhibition, it is something to keep in mind when throwing last minute items into the shipment.
 - Communicate the ISF requirements internally to all those in the U.S. and foreign offices who are involved in putting the exhibit program together. Require that staffers collect the information as it becomes available.
 - For last minute shipments, ship via air-freight to avoid the ISF requirement all together. For small shipments, the difference in price may be negligible.
 - For updates on the ISF requirements, visit the U.S. Customs and Border Protection [website](#).



There are mitigating circumstances recognized by CBP as reasons to reduce the fines and it is anticipated that the penalties will be waived for first time violations. Nevertheless, it is critical for exhibitors to be involved in the process since they—as the importer of record—are liable for fines and penalties. Even if a customs broker is making the filing, it's a best practice for exhibitors to monitor the procedures and keep in close communication with the broker.

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