



CBP Enters New Phase of ISF Enforcement

On June 17, 2016 CBP announced changes for the enforcement of Importer Security Filing (ISF) requirements. Under the ISF rule, importers must submit cargo data at least 24 hours prior to carriers loading vessels destined to the U.S. While ISF has been required for many years, CBP has taken a flexible, informed compliance approach in its enforcement of the rule. It has been tightening its enforcement over time and this newest announcement continues that trend. Importers should be aware of the following changes for shipments on the water on or after June 30, 2016.

- CBP ports are no longer required to follow the “three-strike” approach with informal warnings.
- Liquidated damage (LD) claims for ISF-10 violations will be initiated at the port without the requirement to send to headquarters for review.
- Ports are guided to issue LD claims within 90 days of discovery of a violation, but are not precluded from issuing a claim beyond that time.

There is no change to the port option of holding cargo for ISF non-compliance. At its discretion CBP may hold cargo instead of, or in addition to, initiating an LD claim.

Importers are legally responsible for the accuracy and timeliness of their ISF filings, regardless of whether a customs broker or other intermediary performs the actual filing. Liquidated damages for non-compliance of Importer Security Filing (ISF-10) regulations are set at \$5,000 per transmission, with a maximum of \$10,000 per shipment for late, incomplete, or inaccurate filings. To mitigate the risk of non-compliance, an importer must actively monitor its compliance rates through the use of ISF Progress reports. For non-compliant activity the importer must engage its vendors in resolving barriers to compliance.

If you have any questions regarding these changes and how Schenker can assist in your compliance efforts, please email the ISF Center at schenkerisfcenter@dbschenker.com or call us at 602-458-6100.