

1. What is changing with the new in-bond regulations on July 29th? What do I have to do differently?

The biggest change is that in-bond arrivals and exports must now be reported electronically. Until this point it was possible to report to CBP with a paper copy of the 7512, and a CBP officer would arrive and export the in-bond for you, “closing” the in-bond. Starting July 29th, 2019, that will no longer be an option. **Arrival and export must be reported electronically using a CBP-approved EDI system. In-bond diversions must also be requested electronically.**

2. Does this mean I won't have to stop at the CBP port anymore?

It's possible that you would still need to report in to CBP at the port if the goods in your shipment are regulated by other government departments or CBP policy otherwise requires it. But **if the purpose of stopping at the CBP port is only to report the arrival and export of the in-bond, then you would not need to stop.**

3. Whose responsibility is electronic reporting of arrival and export?

The carrier whose bond is obligated on the in-bond shipment is ultimately responsible for ensuring that the in-bond is arrived and, if required, exported. The arrival and export reporting may be done by any authorized agent of the responsible carrier, but the responsibility and liability is still always on the bond holder.

4. What are my options for electronic reporting of in-bond arrival and export?

There are four options:

-Using a CBP-approved QP/WP program. **BorderConnect's U.S. In-Bond Manager** (ABI In-Bonds) is CBP-approved for this purpose and allows clients to arrive and export their in-bonds.

-Contracting an agent to arrive and export in-bonds for you. Anyone with access to a QP/WP system can report in-bond arrival and export on your behalf if they have a letter of authorization from you to do so.

-In cases where the in-bond is linked to an ACE eManifest that you have access to, you can use the eManifest to do the electronic reporting. In BorderConnect, these options are available on the shipment details page.

-Using the ACE Portal. Any carrier with an ACE Portal account can use its in-bond arrival and export functionality.

5. I'm already arriving and exporting my in-bonds using ACE eManifest. Am I all set?

That depends. You are meeting your electronic reporting requirements for those in-bonds that you're handling that way. But if you ever pick up in-bond shipments within the U.S., there would be no ACE eManifest for you to use for reporting, so you would need to use one of the other options above

instead. You would also need to use another option if another party did the ACE eManifest, since you wouldn't have access to it in that case. **We would recommend getting set up for BorderConnect's U.S. In-Bond Manager either way**, so that you are set up to handle electronic reporting for any and all cases.

6. What is in-bond arrival? When does it take place, and when is it required to be reported?

In-bonds of type 61 (Immediate Transportation) and 62 (Transportation and Exportation) cover the movement of a shipment through the U.S., beginning at an originating port and ending at a destination port. **In-Bond arrival takes place when the shipment reaches the destination port. Arrival of the in-bond must be reported to CBP within 2 business days after it has taken place.** For an Immediate Transportation in-bond, this completes the in-bond move and "closes" the in-bond.

7. What is in-bond export? When does it take place, and when is it required to be reported?

In-bonds of type 62 (Transportation and Exportation) and 63 (Immediate Export) cover the movement of a shipment that is destined outside of the U.S. **Export of the in-bond takes place when the shipment has physically left the U.S., or when the shipment is located where exportation is reasonably assured.** For example at a seaport, airport or rail location and under control of the exporting carrier. **Export of the in-bond must be reported to CBP within 2 business days after it has taken place.** For in-bonds of type Transportation and Exportation and Immediate Export, this completes the in-bond move and "closes" the in-bond. Please note that a Transportation and Exportation in-bond must be arrived prior to being exported. (See above.)

8. Can you take me through all of the statuses in the in-bond process?

Sure, there are **4 main statuses** an in-bond takes on during the in-bond process:

-On File: An in-bond will have this status when it has first been created, but before the shipment enters the U.S.

-Enroute: An in-bond will attain Enroute status either when the shipment first enters the U.S., or immediately when the in-bond is created if it is for a bonded warehouse or foreign trade zone withdrawal. Enroute signifies that the in-bond movement from the originating port to the destination port has begun. In-bond shipments have a maximum of 30 days to reach their destination, after which they will be overdue.

-Arrived: An in-bond will attain Arrived status once it has reached its destination port in the U.S., and its arrival has been electronically reported to CBP. For in-bonds of type Immediate Transportation, this completes the in-bond process and the in-bond is now considered "closed".

-Exported: An in-bond will attain Exported status once it has left the U.S., and its export has been electronically reported to CBP. The export can also be reported when the shipment is located where exportation is reasonably assured. For example at a seaport, airport or rail location and under control of

the exporting carrier. For in-bonds of type Transportation and Exportation and type Immediate Export, this completes the in-bond process and the in-bond is now considered “closed”.

One other notable status is **Concluded**. It is common practice in some situations, including in-bond shipments destined to Mexico, for the in-bond to be acquitted by the filing of a subsequent in-bond. In this case, your in-bond will still show as being in Arrived status, but you can use the Check For Subsequent In-Bond feature in BorderConnect’s U.S. In-Bond Manager to verify that a subsequent in-bond has been filed. This will cause your in-bond to be marked as Concluded, because the filing of the subsequent in-bond will transfer the liability from your in-bond and complete the in-bond process. Your in-bond will be considered “closed”.

9. What about the new FIRMS code requirement for arrival reporting? What is a FIRMS code, and how do I know which one to use?

The in-bond regulation changes also mandate that a **FIRMS code must be included when reporting the arrival of an in-bond**. The FIRMS code tells CBP more specifically where the in-bond shipment has arrived. Where the port code tells CBP the general area, the FIRMS code tells them the specific facility the goods have arrived at. The FIRMS code you use must always be associated to the destination port of the in-bond.

Depending on the type of in-bond movement, **the FIRMS code you need to use may refer to different types of facilities:**

-A CBP port facility. This would be used in cases where you’re reporting the arrival of an in-bond that has already left the U.S., such as a Transportation and Exportation in-bond that has already crossed into Canada. The appropriate CBP port facility would be that of the port of exit from the U.S.

-A U.S. bonded warehouse or foreign trade zone. Applicable whenever the in-bond movement covers delivery to one of these two types of facility.

-An airport, seaport, or other secure carrier facility.

BorderConnect’s U.S. In-Bond Manager provides several convenience features to make it easier to find the appropriate FIRMS code. FIRMS codes can be selected by name or address when known, or by entering the port code of the destination port to see all FIRMS codes available for that port.

10. A customs broker is setting up my in-bonds for me. Doesn’t that mean they’ll be handling the arrival and export reporting for me too?

Many customs brokers may offer this as an additional service, but they are not required to do so. You would need to check in with them to determine if it’s a service they offer, what rates they charge, and what their requirements are.

11. Another carrier has offered to handle electronic reporting for me. Is that okay?

Yes, carriers, freight forwarders, and bonded warehouses may offer to handle electronic reporting for carriers they are doing business with. **If they have access to a CBP-approved EDI system and you provide them with a letter of authorization, they can handle reporting for you.**

12. Okay, so I'm having someone else handle electronic reporting of arrivals and exports for me. Is there any way for me to check their work so that I don't end up with a surprise penalty?

Yes. BorderConnect's U.S. In-Bond Manager offers an in-bond status query feature that allows you to verify the current status of your in-bond with CBP. The status query response would also allow you to verify other details such as the in-bond originating and destination ports, and the quantity. For in-bonds destined to Mexico, it also allows you to verify that a subsequent in-bond has been filed, so that your in-bond is no longer liable.

13. What about in-bond diversions? What are the new requirements there?

An in-bond diversion occurs when a carrier wants to change the in-bond destination from one port to another. Previously, the carrier could contact the CBP port to request permission to divert the in-bond. These requests must now be done electronically instead. **A CBP-approved QP/WP program such as BorderConnect's U.S. In-Bond Manager allows carriers to make these electronic diversion requests.**

14. Is it true the paper 7512 copy of the in-bond is being eliminated?

The paper 7512 can no longer be presented to CBP to arrive and export an in-bond, and the regulations do include the elimination of the paper 7512. However, there are numerous exceptions to this, including shipments moving by air, the requirements of specific CBP ports, and as part of bonded warehouse and foreign trade zone movements. As such, **we recommend continuing to keep a paper 7512 copy with the shipment** unless you're able to specifically rule out the possibility that it will be needed at some point in the process.

15. What about the new HTS requirement for Immediate Transportation in-bonds?

The regulations will require all types of in-bonds to include a six digit Harmonized Tariff Schedule (HTS) number when they are filed, including in-bond types that didn't previously require an HTS number such as Immediate Transportation. (Transportation and Exportation in-bonds have always required HTS.) **This part of the in-bond regulation changes is not yet being enforced** though, and currently no date has been set for enforcement.

16. How can I sign up for BorderConnect's U.S. In-Bond Manager?

In order to use our U.S. In-Bond Manager, you will need a filer code issued by CBP. BorderConnect will work with you to create a Letter of Intent to submit to CBP, which will result in you being issued a filer code and being set up to use our system. This process can take several weeks depending on the current volume that CBP is processing. Because of this **we recommend you apply as soon as possible.**

If you already have a filer code, we can help you work with your CBP Client Rep to set it up to work with our system.