

U.S. CUSTOMS AND BORDER PROTECTION
Department of Homeland Security

610 South Canal
Chicago, Illinois

Pipeline 03-25
October 1, 2003

TO : Customs Brokers, Importers and Others Concerned

SUBJECT: New Procedures for the Preparation and Processing of In-bond Documents

It is the policy of Customs and Border Protection (CBP) that movement in-bond performed on a paper CF 7512 between CBP ports, or within CBP port limits for the purpose of exportation, is performed in a uniform manner that improves the control over this merchandise. In addition, supply chain security considerations require that CBP maintain tighter control over the movement of in-bond merchandise presented on a CF 7512. Two important elements necessary to achieve this goal are improving data quality and ensuring electronic tracking of in-bond merchandise. Accurate input of high quality data into the automated in-bond system before the merchandise is allowed to proceed will increase the level of control that CBP exercises over the merchandise.

Effective October 20, 2003 all in-bond documents will be processed by CBP personnel prior to the authorization (perforation) of an in-bond movement. CBP officers reviewing CF 7512 documents at the port of origin will ensure that all required information is furnished and correct at the time of presentation to CBP. If the CF 7512 is not properly prepared, corrective action must be taken, including rejection of the document, if necessary. **Instructions for proper completion of a CF 7512 are attached.** Attachment A consists of an itemized list citing the title of each field on a CF 7512 with a description of the field's required minimum content.

Corrections or amendments to information on a previously filed CF 7512 must be presented to CBP on a new CF 7512, annotated "AMENDMENT", bearing the same in-bond serial number as the original, and highlighting the requested corrections or amendments. This CF 7512 will be accompanied by a request in writing, on letterhead, from the filer, broker or other interested party that created the original documents, describing the corrections. Documentary evidence to substantiate the change (bill of lading, airway bill, invoice, etc.) must be submitted with the CF 7512 and change request. CBP officers may accept the corrected/amended CF 7512 at any point or port during the in-bond movement provided the shipment is physically located at that port and available for examination.

CBP offices will input all in-bond transactions into the CBP automated system prior to allowing the movement of the merchandise. This will involve the input of the information corresponding to the mandatory fields in the CBP automated system. This will allow "real time" tracking of all in-bond shipments and help to reduce system errors.

At origin, in addition to mandated "Tin Man" examinations CBP officers will inspect in-bond shipments as needed to verify the information provided on the CF 7512 and to perform enforcement inspections.

For in-bond shipments on CF 7512 transported between ports (T&E and IT), CBP officers will input an arrival notification in CBP automated system as soon as possible after the carrier's arrival notification. This will ensure that the requirement for presentation of in-bond documentation within 2 working days of arrival is met and start the General Order (G.O.) clock.

At arrival at the port of in-bond destination, in addition to mandated "Tin Man" examinations CBP officers will inspect in-bond shipments as needed to verify the information provided on the CF 7512 and to perform enforcement inspections.

For exportation of in-bond merchandise presented on a CF 7512 (T&E and IE), the merchandise should be presented to CBP for export certification. The certification of export in the CBP automated system shall not take place until the merchandise is physically located where exportation is reasonably assured. For example at seaport, airport and rail locations the merchandise should be under the physical control of the exporting carrier and for land border locations, the merchandise should be at the place of exportation.

At exportation, in addition to mandated "Tin Man" examinations CBP officers will inspect in-bond shipments as needed to verify the information provided on the CF 7512 and to perform enforcement inspections.

These new procedures represent a change to the existing procedures for AMS carriers and deconsolidators. As of October 20, 2003, the trade should no longer submit in-bond departure documents to the CBP officer at the informal counter. Instead, these documents must be placed in the designated AMS trays that are located at the informal counter. CBP personnel will routinely remove these documents and authorize the movement in the AMS system.

If the CBP officer is unable to successfully authorize the movement in AMS the document will be rejected. Authorized (perforated) and rejected documents will be returned in the same manner as all paper documents submitted to CenterPoint. There will be a "Misc. AMS Departure" box created for those members of the trade that do not already have designated boxes.

The instructions for the proper completion of in-bond CF 7512 documents are included in this pipeline. Please adhere to these instructions. Again, incomplete or

inaccurate submissions will be rejected and may result in a delay of in-bond movements.

Please be aware that an unauthorized in-bond movement will result in a carrier penalty or liquidated damages claim.

Should you have any questions regarding these procedures, please contact Supervisory Inspector Andrew Ferreri, at (847) 616-4060, ext. 124.

Robyn Dessaure
Port Director

ATTACHMENT A

INSTRUCTIONS FOR THE PREPARATION OF CUSTOMS FORM 7512 FOR TRANSPORTATION IN-BOND

Item 1 - "Entry Number, Port and Date"

Whenever merchandise, which has been entered previously (in-bond, consumption, warehouse, etc.), is entered for any type of in-bond entry, the immediately preceding entry information must be supplied with the date of that entry. The standard HTSUS Schedule D port code is used instead of the port name.

Item 2 - "Entry Number and Class of Entry"

The in-bond serial number (9-digit number assigned by blocks by local CBP port) and the entry class code (61, 62, 63) must be recorded in this area with the approved abbreviation for the entry type (IT, T&E, IE, WDTE etc). Immediately below the box containing this information, show the appropriate foreign entry number with foreign document type (such as "Pedimento") when required. (see ATTACHMENT B)

Item 3 - "District/Port Code No."

The district/port code shown in the HTSUS Schedule D must be used for the port where the in-bond entry is being presented.

Item 4 - "First U.S. Port of Unlading"

The "first U.S. port of unlading" is the first U.S. port of arrival from foreign, where the merchandise is off-loaded from the importing carrier.

Item 5 - "Port of"

This is the name of the port corresponding to the port code in Item 3 where the in-bond entry is being presented.

Item 6 - "Date"

This is the date of entry preparation. Since an in-bond entry can be prepared before the date of entry presentation and/or acceptance and prior to the actual arrival of the importing conveyance, this date should not be used for duty assessment purposes.

Item 7 - "Entered or Imported By"

"Entered or imported by" identifies the party who imported the merchandise (importer or consignee) or the party who presents the in-bond entry to CBP if other than the

importer or consignee. This could be the importing carrier or the bonded carrier or a Customhouse broker acting as the agent for the importer, consignee, importing carrier, or the bonded carrier. However, 19 CFR 18.11(b)(3) authorizes any person deemed by the Port Director "to have a sufficient interest in the merchandise for that purpose" to make an in-bond entry. The person-signing Item 30 "entered or withdrawn by" must be an authorized agent or employee of the party shown in this item. This party's Name, Address, City, State and appropriate identification numbers should be included in the spaces provided.

Item 8 - "In-Bond Via"

This designates the bonded carrier who will be liable for the proper movement, handling, and safekeeping of the merchandise once the in-bond movement is initiated. (The requirements for initiating the in-bond movement will be described in Items 32, 33, 36, and 37.) The bonded carrier's Importer/IRS number and name shall be included on this line. If the person making entry is not the bonded carrier shown in this block, the person making entry must be an authorized agent and present on demand, proof of it from the carrier.

Item 9 - "District Director of Customs at" or "Customs Port Director"

This item identifies the intended destination port. Unless there are restrictions or prohibitions on diversion an in-bond shipment may be diverted to any CBP port without prior CBP permission. These restrictions and prohibitions as outlined in 19 CFR 18.5 include:

- A new in-bond entry is required after an in-bond shipment (in its entirety or split) has been delivered to the port of destination;
- Shipments under restriction or prohibition under quarantine and regulation of the Dept. of Agriculture may not be diverted without permission of that agency;
- Textile or textile product shipments Subject to Sec. 204, Agriculture Act of 1956, may not be diverted without prior written permission of the Port Director at the port of origin;

In those instances where diversions are prohibited or restricted, it should be clearly noted on the face of the in-bond entry (Item 28).

Item 10 - "Final Foreign Destination"

"Final foreign destination" must be completed for all exportation entries. At a minimum, the destination shown on the commercial shipping documents (bills of lading or air waybills) must be shown. If exportation to more than one foreign destination is planned, provided such exportation is not prohibited, the term "various" can be used. The 5-digit Schedule K or "Special K" code (for Mexico and Canada) and the name of corresponding foreign destination shall be placed here.

Item 11 - "Consignee"

This should identify the consignee named on the bill of lading, air waybill, invoice, etc. The name and address of the consignee shall appear in this space. The respective

document may be requested to verify information contained on the CF 7512. For export shipments where the bill of lading, air waybill, invoice, etc. information does not include an actual consignee, the consignee for in-bond purposes may be the party who will arrange for the disposition of the shipment at the port of destination (Container freight station, freight forwarder, etc.).

Items 12 through 18 - "Manifest Information"

The information provided here serves to identify the shipment in terms of the inward foreign manifest of the importing carrier. This information is mandatory if the shipment was originally imported by vessel. The date of importation shown in Item 17 is the date of arrival of the importing conveyance in the United States and with vessels, it is the date in which the vessel arrives within the limits of a port in the United States with intent to discharge (19 CFR 101.1).

Item 19 - "Exported From"

If the country of exportation is different from the "foreign port of lading" (Item 12) and this information is available to the party preparing the entry (Item 7), it should be shown. Otherwise, the country of foreign port of lading should be shown. This information may be available on the bill of lading, air waybill, invoice, etc. The relevant document may be requested to verify information contained on the CF 7512.

Item 20 - "Exportation Date"

This is the date the shipment was exported from the foreign port of lading.

Item 21 - "Goods Now At"

The actual location of the goods at the origin port must be shown. This is essential to ensure proper CBP control over the disposition of the shipment. This information should include the FIRMS code when applicable.

Item 22 - "Marks and Numbers"

This is a listing with sufficient exactness to serve the legitimate needs of CBP. This should be the same information as is supplied on the inward foreign manifest. For containerized shipments, the container number and the commercial seal number must also be shown.

Item 23 - "Description and Quantity"

For all in-bond shipments, quantities must be shown in terms of the smallest external packaging unit. Any intermediate packaging involved (e.g. unit load devices, containers, pallets, etc.) must also be shown (example: 144 cartons on 12 pallets). Under the regulations (19 CFR 18.2), the merchandise shall be described on the CF 7512.

- Terms such as "general merchandise", "Freight All Kinds" or "FAK" are not acceptable. For express consignment in-bond shipments a rider or abstract manifest may be attached which describes the commodities with their associated marks and numbers. If a rider is attached, the total number of packages must be shown in this block (e.g., 10 containers containing 4,578 packages as per attached manifest). For multiple commodities on a single bill that exceed the space limitations, the CF 7512A "Continuation Sheet" shall be used for description.
- The terms "said to contain" and/or "STC" are unacceptable. The term "shippers load and count" or "SLAC" when used as a qualifier is acceptable for house-to-house or house-to-pier container shipments.

Under the regulations (19 CFR 18.11), IT movements have more stringent description requirements.

- For all IT movements the merchandise shall be described in such detail as to enable the Port Director to estimate the duties and taxes, if any, due. The Port Director may require evidence to satisfy him of the approximate correctness of the value or quantity stated in the entry.
- Merchandise that is subject to detention by other Federal agencies shall contain sufficient description to enable the representative of concerned agency to determine the contents of the shipment.
- Merchandise subject to agricultural quarantine shall be forwarded as an IT only under written permission or regulations governing agricultural quarantine.
- Textiles and textile products subject to 7 USC 1854 shall be described in such detail as to allow the Port Director to estimate any duties or taxes due. The Port Director may require evidence of the approximate correctness of:
 - The value and quantity stated in the entry (e.g. 14 cartons, 2 dozen per carton).;
 - Detailed description of the textiles or textile products including type of commodity and chief fiber content (e.g., men's cotton jeans or women's wool sweaters);
 - Net weight of the textiles or textile products (including immediate packing but excluding pallet);
 - Total value of the textiles or textile products;
 - Manufacturer or supplier;
 - Country of origin;
 - Name(s) and address(es) of the person(s) to whom the textiles and textile products are consigned;
 - HTSUS number (when available).

Item 24 - "Gross Weight"

Gross weight can be shown in either pounds or kilograms and must be identified as pounds (l) or kilograms (k).

Item 25 - "Value"

Actual value information is to be supplied, except when it is not readily available to the party preparing the entry (Item 7). In this case, estimated value information may be used and must be indicated as estimation. Actual value information must be supplied for any type of in-bond warehouse withdrawal.

Item 26 and 27 - "Rate" and "Duty"

Duty rate and duty amount must be supplied for all types of in-bond warehouse withdrawals. It is not required for any other type of in-bond entry.

Item 28 - Open Area

This is a free-form area for recording all additional information for which there is no specific block on the form itself. All special conditions affecting a specific in-bond entry shall be recorded here (e.g., warehouse entry status, other agency requirements, restrictions or prohibitions on diversions, "Quantity Concurred" stamp and any additional or alternate bond coverage such as an exportation bond or instrument of international traffic (IIT) bond). In the case of merchandise being exported because entry has been prohibited by any Government agency, that fact shall be clearly noted in this space.

Item 29 - "G.O. Number"

When merchandise, which is unentered, is withdrawn from General Order, the General Order ledger number would be supplied in this item. This line also contains a check box that identifies if merchandise is withdrawn for vessel supplies.

Item 30 - "Entered or Withdrawn By"

This item records the signature of the authorized agent for the party identified in Item 7. This signature constitutes the formal presentation of the entry and certifies to the completeness and accuracy of the information supplied as well as to the existence of all required bond coverage. This signature may be an electronic or facsimile signature for all in-bond shipments recorded on a CF 7512.

Item 31 - "For the District Director" or "For the Port Director"

This item records the acceptance of the in-bond document as an entry by CBP. Since the date shown in Item 6 (as described above) is often different from the date of entry presentation and acceptance, it is necessary that, in addition to the CBP officer's signature, the date of entry acceptance be recorded here when the date of entry acceptance differs from the date shown in Item 6. When no date is shown here, the date shown in Item 37 will be used as the date of entry acceptance. A CBP perforation or other stamp with date, time and location may be substituted.

Items 32 and 33 - "Attorney or Agent of Carrier"

This records the signature of the authorized agent of the bonded carrier identified in Item 8 above. The typed or printed name of the person signing shall also be included. This signature constitutes the acceptance of the liability for the in-bond shipment by the bonded carrier and, when CBP concurs (Item 36 and 37 described below), constitutes the bonded carrier's assumption of liability. . If the person making entry is not the bonded carrier shown in this block, the person making entry must be an authorized agent and present on demand, proof of it from the carrier. This proof may be on file at a central office and a photocopy may be presented. This signature may be an electronic or facsimile signature for all in-bond shipments recorded on a CF 7512.

Item 34 - "Port"

The U.S. destination and/or exportation port is recorded here. This is part of the certificate of lading for arrival or exportation. A CBP perforation or other approved stamp with date, time and location may be substituted.

Item 35 - "Seal Numbers"

CBP in-bond seal numbers, commercial seal numbers, or other Federal agency seal numbers are recorded here. If in-bond labels are used, or if sealing or labeling is waived, this would also be noted here.

Items 36 and 37 - "Inspector" and "Date"

The signature of the CBP officer who authorizes the initiation of the in-bond movement and the date of this authorization are recorded here. A CBP perforation or other approved stamp with date and location may be substituted. This date is used to determine the start of the time limit for completion of the in-bond movement itself. Normally, this is done at the time the agent of the bonded carrier signs for the shipment (Items 32 and 33) and assumes liability under the terms of the applicable carrier's bond.

If, at the time the bonded carrier attempts to take possession of the shipment, there is a difference between what the initial carrier or custodian and the bonded carrier believe to be the quantity and/or the condition of the merchandise, these differences must be resolved, reported to CBP, and any necessary changes or notations to Item 23 made prior to the initiation of the in-bond movement. The "Quantity Concurred" stamp could be affixed in Item 28.

Items 38 through 42 - "Export Verification"

These items are only used when exportation is involved. Completion of these items by the appropriate CBP officer serves as certification of export reporting by the carrier and relieves the bonded carrier of its liability related to export reporting. It does not relieve the carrier from providing and complying with additional export related requirements such as the production of landing certificates, submission of SEDs, etc.

Back of Form (Note- The back of the form may be on a second page as needed)

Items 43 through 45 - "Record of Cartage or Lighterage"

These items constitute assumption (Item 44), authorization (Item 43), and discharge (Item 45) of the bonded carrier or cartman's liability for the within port movement of merchandise covered by an in-bond entry. This can occur prior to or after the movement of a shipment between ports by a bonded carrier or independent of such movement (i.e., when an immediate exportation entry is involved).

Item 46 - "Certificates of Transfer"

This item is used to document and record the transfer of merchandise from one sealed conveyance to another. It is normally used when the original conveyance is sealed with commercial seals. It can also be used when CBP in-bond seals or other Federal agency seals are involved if the carrier wishes to document and record such transfers in order to support its liability limitations.

Item 47 - "Inspected"

This item is used when the transfer (Item 46) is done without CBP involvement or supervision, and subsequent to such transfer, CBP verifies the new seals. This item could also be used to record the condition of seals (either CBP, commercial, or other Federal agency) anytime they are inspected by a CBP officer.

Item 48 through 50 - "Record of Disposition"

These items can be used to record the disposition of the merchandise on the in-bond entry. This information can be, and usually is, recorded on the face of the entry (Item 28).

ATTACHMENT B

The following ports are required to place the foreign entry number and document type on the CF7512 in the designated space. (See ATTACHMENT A, Item 2)

<i>Port</i>	<i>In-bond type</i>	<i>Foreign Document</i>
El Paso TX	IE	Pedimento
Laredo TX	IE	Pedimento