



CBP Issuing Informed Compliance Letters

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U.S. Customs and Border Protection's (CBP) Audit Branch has recently begun sending out informed compliance letters referring to specific Informed Compliance Publications (ICP's). CBP has included DVD's for specific ICP issues. The letter informs the importer that CBP will seek to provide the information necessary to ensure future compliance. It recommends that the importer review their entries and processes. If mistakes are found the importer should file a prior disclosure and make correction(s).

At a recent seminar, we were told that CBP is focusing on the top 1,000 importers and reviewing their entry data. A letter will be sent out to an importer based on their transaction history. If your company receives such a letter, you should reach out to your Customs counsel and Customs Broker. Sometimes a questionnaire from CBP will also be included. This questionnaire is very important. Depending on the importers response, CBP may or may not decide to go through with an audit.

The compliance letters do include information on the specific risks associated with an importer's transactions. While CBP has explained that these letters are a courtesy notification, it also includes the following disclosure: "because the importer has been provided this information, violations that may occur in the future could result in the seizure and forfeiture of imported merchandise and/or the assessment of monetary penalties."

If you receive an informed compliance letter from CBP's Regulatory Audit Branch, be assured that this is not random. Make sure you share this with management and explain the possibilities. Review the letter with your Customs Counsel and work with them on the questionnaire. Ask your broker to be ready to assist with information for the questionnaire as well. A well written response could reduce the risk of an audit. Any response should be signed by someone in upper management whether written or in an email format.

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The receipt of an Informed Compliance Letter should trigger a review of your compliance program. If mistakes are found, a prior disclosure should be initiated. These letters are the start of more robust compliance enforcement by CBP since Congress has expressed its intent in the Trade Facilitation and Trade Enforcement Act.

Time to Complete New Blanket Certificates

As we get down to the final two months of the year, it is a good time to review any blanket certificates you have on file with U.S. Customs and Border Protection (CBP) for 2016 and start preparing the new ones for 2017. Two examples of blanket certificates are NAFTA Certificates of Origin and Blanket Non-reimbursement Statements for Antidumping Duty Entries. By starting now, you can review the accuracy for your 2017 shipments and look for any common errors or issues. By doing them all as an annual review, you setup a pattern to catch all of them and not have any slip through the cracks. For blanket statements that were initiated during 2016, you might consider just having the new ones redone for all of 2017.

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