

**Commercial Customs Operations Advisory Committee
Secure Trade Lanes Subcommittee
In-bond Working Group
Draft Recommendations**

December 2022

COAC

**COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE**

Commercial Customs Operations Advisory Committee (COAC)
Secure Trade Lanes Subcommittee
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Draft Recommendations *

1. COAC recommends that all definitions relating to in-bond cargo be consolidated into title 19 CFR § 18.0(b).
2. COAC recommends that a definition for “Bonded Party” be added to in title 19 CFR § 18.0(b) and defined as “the party whose bond is obligated on the transportation entry.”
3. COAC recommends that the definition of an “in-bond” be added to title 19 CFR § 18.0(b) and defined as a “Transaction that permits the movement of cargo through the United States, under customs control, without payment of duty and taxes prior to entry into domestic consumption or a bonded warehouse, admission into a Foreign Trade Zone, or exportation to foreign countries. In-bond transactions are defined by specific entry type and function.”
4. COAC recommends that title 19 CFR § 18.1(b)(2) and 18.1(b)(3) related to warehouse withdrawals be stricken due to no longer being valid entry types.
5. COAC recommends that title 19 CFR § 18.1(d)(2) [Method of submission] be amended, removing the exception for the air mode referencing back to title 19 CFR § 122.
6. COAC recommends that CBP provide trade with the ability to electronically request in-bond transit time extensions and to amend title 19 CFR § 18.1(i)(2) to reflect electronic capability.
7. COAC recommends that title 19 CFR § 18.1(j) be amended to require the report of arrival with the option of either within two business days after the arrival of the first portion or the final portion of an in-bond shipment at the port of destination or the port of exportation, within the specified reporting timeframes.
8. COAC recommends that the following in-bond rule be implemented by CBP and included in title 19 CFR § 18.1.
 - a. Report Acceptance. Within two business days after the complete arrival of the in-bond shipment at the port of destination, the recipient of the merchandise must notify CBP via a CBP approved EDI system their receipt of the merchandise and the conditions of liability under its bond. The notification to CBP must include the FIRMS code for the facility that took receipt of the merchandise. The recipient will be held liable under its bond for the receipt of merchandise in the quantity and condition as described on the in-bond, except as modified by a Manifest Discrepancy Report or its electronic equivalent.
9. COAC recommends that 19 CFR § 18.2(a) be amended to read “Transportation of merchandise in-bond by bonded or non-bonded carriers.”

10. COAC recommends that 19 CFR § 18.2(a)(1) be amended to read “the responsibility for the merchandise will remain with the bonded party that obligated its bond for that purpose.”
11. COAC recommends that CBP implement an electronic messaging within existing systems that will notify and allow the receiving bonded party to accept liability for the in-bond cargo upon transfer from another bonded party.
12. COAC recommends that 19 CFR § 18.3(b) [transfers] be amended to include the following language: “The receiving party may review the bonded merchandise, while holding and safeguarding the in-bond merchandise, may open the container to view, verify and count without causing impairment to the integrity of the product’s original measurement and/or valuation.”