

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Intelligent Enforcement Subcommittee
Bond Working Group**

June 2023



**U.S. Customs and
Border Protection**

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**Office of Trade/Trade Policy and Programs
Intelligent Enforcement Subcommittee
Bond Working Group
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Action Required: Informational

Background:

- U.S. Customs and Border Protection (CBP) is implementing risk-based bonding by leveraging existing authorities to develop a sustainable approach with focus on near-term deliverables.

Issue:

- The Bond Working Group recommended that CBP update Customs Directive 3510-004, Monetary Guidelines for Setting Bond Amounts.

Current Status:

Risk-Based Bonding Initiative

- CBP is working to complete the following remaining initiatives:
 - Advancing the Notice of Proposed Rulemaking (NPRM) to incorporate eBond in 19 C.F.R. § 113, updating eBond functionality from a test to a requirement, eliminating the majority of paper bond processing, and ensuring bonds are on file.
 - Finalizing senior leadership clearance of the updated internal directive, *Monetary Guidelines for Setting Bond Amounts*, with the intent to publish in summer 2023. CBP will follow up publication with a corresponding external guidance document.

Automated Commercial Environment (ACE) eBond Enhancements

- CBP is meeting biweekly with the Trade Support Network (TSN) to draft requests for development (RFDs) to incorporate remaining bond types into ACE eBond.
- The 15th Term Commercial Customs Operations Advisory Committee (COAC) Bond Working Group previously recommended the incorporation of four additional types of eBonds. In order of priority, they are: Importer Security Filing (ISF), Department of Transportation (DOT), International Trade Commission (ITC), and the Intellectual Property Rights (IPR) bonds.
 - The TSN completed the ISF RFD and CBP presented it to the Product Management Committee in February 2023. The RFD remains on the prioritized and unfunded backlog.
 - The DOT RFD has been drafted and is on hold pending guidance from DOT leadership.
 - The ITC RFD is being drafted.
 - Work on the IPR RFD has not started. After the ITC RFD is finalized, work on the IPR RFD will begin.

Additional Areas of Focus

- CBP is finalizing guidance about:
 - The appropriate methods for eBond and non-eBond participants to submit bonds to CBP.
 - Informal entry bond requirements.

- Automated Commercial System (ACS) decommissioning: CBP is working to ensure the ACE entry summary query will provide liquidation and billing information to the entry summary surety on file. This will include entry summary transactions filed before bond requirements were implemented and are not connected to an ACE eBond.

Next Steps:

- CBP will
 - Publish the *Monetary Guidelines for Setting Bond Amounts* Directive and the corresponding trade guidance in the near term.
 - Collaborate with TSN to finalize the ITC RFD and DOT RFD (once DOT leadership provides guidance).
 - Publish guidance regarding the appropriate methods of submitting bonds to CBP (for various bond types by eBond and non-eBond participants) and informal entry bond requirements.

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