

August 9, 2004

MEMORANDUM FOR: DIRECTORS, FIELD OPERATIONS

FROM: Assistant Commissioner
Office of Field Operations

SUBJECT: Amendment to the Current Reporting Requirements for the
Ultimate Consignee at the Time of Entry or Release

U.S. Customs and Border Protection (CBP) has for many years allowed different parties to be identified as the Ultimate Consignee for shipments of imported merchandise. This is largely due to concerns expressed by some entry filers over the difficulty in obtaining the correct Ultimate Consignee identification number at the time of entry or release. The current policy was written prior to September 11, 2001 and does not reflect the current need for accurate and advanced Ultimate Consignee data so that arriving shipments can be effectively targeted for security and enforcement examinations.

The Ultimate Consignee at the time of entry or release is defined as the party in the United States, to whom the overseas shipper sold the imported merchandise. If at the time of entry or release the imported merchandise has not been sold, then the Ultimate Consignee at the time of entry or release is defined as the party in the United States to whom the overseas shipper consigned the imported merchandise. If the merchandise has not been sold or consigned to a U.S. party at the time of entry or release, then the Ultimate Consignee at the time of entry or release is defined as the proprietor of the U.S. premises to which the merchandise is to be delivered.

For entry release, the current Ultimate Consignee reporting policy is outlined in CBP Directive 3550-079A, which requires that the Ultimate Consignee on a formal entry be identified with its appropriate identification number or an ABI transmission of the Ultimate Consignee's name and address. For informal entries, the Ultimate Consignee can be identified by an ABI transmission of the Ultimate Consignee's name and address, but may also be identified with any of several other optional identification methods that may identify a different party as the Ultimate Consignee. For both types of entries, this policy has resulted in inaccurate historical Ultimate Consignee data, which seriously undermines U.S. Customs and Border Protection's efforts to manage the security related risks associated with arriving shipments of imported merchandise. For entry summary, the current Ultimate Consignee reporting policy is outlined in CBP Directive 3550-061 (later amended by administrative message 92-0717) that identifies the Ultimate Consignee number as the Internal Revenue Service Employer Identification number, the Social Security number or the CBP Assigned number. (Note: CBP Assigned numbers are issued to non-resident corporations or individuals and therefore should rarely be used as the Ultimate Consignee number.) This policy applies to both formal and informal entries.

The purpose of this memorandum is to correct weaknesses in the current CBP policy pertaining to the identification of the Ultimate Consignee at the time of entry or release and to unify entry release and entry summary Ultimate Consignee procedures. This policy change will incorporate the following:

- **Formal Entries:** The Ultimate Consignee on a formal entry must be identified with an appropriate Ultimate Consignee identification number, and may not be identified with an ABI transmission of the Ultimate Consignee's name and address. If the Ultimate Consignee has not been issued an appropriate identification number as listed above, he/she must obtain one before his/her entry can be processed by CBP. If the Ultimate Consignee identification number is not provided at the time of entry or release, entry of the merchandise shall be denied.
- **Informal Entries:** At a minimum, the Ultimate Consignee must be identified with the Ultimate Consignee's name and address, which can be provided to CBP through either an ABI transmission or through other available means to include manual processing methods. (Note: In most cases the address will be a US address not a foreign one.) If a name and address is provided for Ultimate Consignee, the entry will not be allowed to be paperless and entry documents will be required for release. The Ultimate Consignee may also be identified by an appropriate identification number (as noted above), if one is provided by the entry filer. If the Ultimate Consignee is not identified by either an appropriate identification number or a name and address at the time of entry or release, entry of the merchandise shall be denied.
- **Consolidated Entries:** Consolidated release and entry summary is used by shippers and importers for shipments that have multiple ultimate consignees arriving at the border in a single conveyance. The Ultimate Consignee for each portion of a consolidated entry that equals or exceeds \$2,000 in value must be identified with an appropriate Ultimate Consignee identification number. If the Ultimate Consignee does not have an appropriate identification number, he/she must obtain one before his/her entry can be processed by CBP. If the Ultimate Consignee identification number is not provided at the time of entry or release, entry of the merchandise shall be denied.

For portions of a consolidated entry that are valued at less than \$2,000, the Ultimate Consignee must at a minimum, be identified with the Ultimate Consignee's name and address, but may also be identified with an appropriate Ultimate Consignee identification number if provided by the entry filer. If the Ultimate Consignee is not identified with either the name and address or an appropriate identification number at the time of entry or release, entry of the merchandise shall be denied.

Due to ACS limitations, when consolidated entries are certified from summary data at the time of entry or release, the portion of the consolidated entry with the highest value must be included with the ABI transmission, while the Ultimate Consignees associated with the remaining portions of the consolidated entry must be identified on a separate list that must be attached to the entry package.

Ultimate Consignee number reporting format policy will be amended as follows:

- **U.S.-Based Ultimate Consignees:** The appropriate Ultimate Consignee identification number for U.S.-based ultimate consignees is defined as either an Internal Revenue Service employer identification number or a Social Security number. U.S.-based Ultimate Consignees are not to be identified with a CBP-issued Ultimate Consignee identification number. If a U.S.-based Ultimate Consignee does not have either an Internal Revenue Service employer identification number or a Social Security number, he/she must obtain one for any shipments that require the Ultimate Consignee to be identified with an appropriate Ultimate Consignee identification number. If the appropriate Ultimate Consignee identification number is not provided at the time of entry or release, entry of the merchandise shall be denied.
- **Foreign-Based Ultimate Consignees:** In the limited instances in which imported merchandise is consigned to an Ultimate Consignee that is not based in the United States, the Ultimate Consignee must be identified with a CBP-issued Ultimate Consignee identification number for formal entries, or in the case of informal entries (including consolidated entry lines with a value less than \$2000) may be identified with either a CBP-issued Ultimate Consignee identification number or the name and address of the foreign-based Ultimate Consignee. CBP-issued Ultimate Consignee identification numbers are only to be used to identify foreign-based Ultimate Consignees and must be based on the name and address of the foreign-based Ultimate Consignee. If the foreign-based Ultimate Consignee does not have a CBP-issued Ultimate consignee number, he/she must obtain one before his/her entry can be processed by CBP. If the appropriate CBP-issued Ultimate Consignee identification number is not provided at the time of entry or release, entry of the merchandise shall be denied.

These reporting requirements will become effective October 1, 2004. This memorandum will serve as interim policy guidance until the current directives can be modified. This will occur when programming resources allow for hard edits to prevent entry filers from identifying the Ultimate Consignee with methods that are not allowed under the new policy. Until hard edits can be implemented, Inspectors will be instructed to verify entry documentation to ensure that it conforms to the new Ultimate Consignee reporting policy. Entry filers that violate the new policy may be subject to the issuance of penalties for failure to exercise due diligence.

This information should be disseminated to all CBP Officers in your areas of responsibility immediately. This office will notify national trade associations but local trade notices should be developed and distributed by August 15, 2004.

Questions or comments on this policy should be directed to Mr. Keith Fleming, Director, Cargo Verification at (202) 344-1320.

/S/
Jayson P. Ahern