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eManifest Newsletter

This newsletter is the first in an ongoing series of newsletters that will seek to keep you informed as to the status of eManifest implementation by the Canada Border Service Agency (Canada Customs).

Why eManifest?

eManifest is a new acronym created by the Canada Border Service Agency (Canada Customs) and adopted by importers, brokers and other trade chain partners. Let us examine what eManifest is and where it started.

Where did eManifest start?

If we go back in history, some twenty years ago Canada Customs developed a new system called **CCS (Customs Commercial System)**. The first phase of that system provided the ability for Canadian Customs Brokers to transmit B-3 Customs Entry data to Customs without the need to present paper entries. It also allowed the customs broker to transmit the entry data from one location to Customs irrespective of where the goods had been released. There were many issues with that system, such as Customs inability to accept an entry with more than 999 lines and the lack of involvement of other Government Departments (OGD).

The next phase of CCS was the introduction of **ACROSS (Accelerated Commercial Release Operations Support System)**. This system allowed the transmission of Canada Customs Invoice data to Customs, again without the necessity of presenting paper documentation. This allowed Customs Brokers to transmit the invoice data from one centralized location and to customs ports where they were not physically located. These systems were designed to work with the incoming Customs data from brokers and importers and did NOT touch on the data or reporting required of carriers.

The **Carrier Re-Engineering (CRE)** concept was introduced in 1998 as the next logical phase to bring carriers into the world of electronics. CRE evolved into the **Advance Commercial Information (ACI)** initiative.

However, the tragic events of September 11th 2001 took place and changed Customs mandate, shifting their primary focus to that of protecting Canada from terrorism with continued emphasis on trade compliance.

The United States moved quickly in developing new security systems and enacting legislation forcing Customs administrators to insure timely enforcement of the new regulations and processes.

To continue trading with the United States, Canada had to insure it had **systems that would protect the continent**. Canada could not become an in-transit site for terrorism to enter the United States. Canada matched many of the American systems (eg: the 24-hour rule, where certain data must be provided to Customs 24-hours in advance of containers being authorized to be loaded onto a vessel destined for Canada).

Canada also built a risk analysis system dubbed "**TITAN**" specifically designed to identify risk levels of shipments.

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What is eManifest?

eManifest is the next logical step in further automating the Customs Commercial System. Its first task is to **modernize the carrier data reporting requirements** under Section 12 of the Customs Act states that goods imported into Canada by a person must be reported to the nearest customs office open for business in accordance with the regulations. Keep in mind that the carrier commercial interface with Customs today is strictly based upon paper requirements. One of the main requirements for carriers under eManifest is to update the data elements required, then to automate reporting processes.

On the broker/importer side, eManifest will update what data elements are required and **make electronic transmission of information to Customs mandatory, prior to arrival of goods in Canada**. Various time limits will apply depending on the mode of transport and will allow Customs to process data through **TITAN** to determine if there is need for closer examination at the port of arrival into Canada, or deny entry all together.

At this time the only exception to advanced cargo reporting rules are for those importers who utilize **CSA (Customs Self Assessment)**, along with approved carriers and drivers and of course the goods that have been approved for entry into Canada under that process.

The Canadian system is perceived by some to be more onerous than the U.S. system when it comes to data requirements. While the two have many common elements, not everything is the same. There are many issues that arise through consultations and these must be identified and resolved before the system can move forward.

Some of these issues are: Clearance at **First Point of Arrival (FPOA)**. What happens if all the shipments on a load have not been submitted to customs in time for risk assessment? We know that in excess of 60% of the freight crossing the Ambassador Bridge in Windsor **originates within one hour of the bridge**; what happens with those shipments? There are other issues such as participation in the Partners in Protection (PIP) program (similar to C-TPAT (Customs-Trade Partnership Against Terrorism) in the US) and long standing issues such as the 999 line limitation and OGD requirements also need to be resolved.

For your convenience, our series of eManifest Newsletters will be available on our website - www.farrow.com. In order that we may communicate these articles to you quickly and efficiently, we suggest that you **sign-up to obtain subsequent newsletters via email** by sending your Company name, individual name, and email address to emanifest@farrow.com.

Our eManifest Project Team will be happy to answer your questions and search out additional information. Please email us at emanifest@farrow.com

Thank You

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