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eManifest Newsletter

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Importer Advance Data (IAD)

This is the third in our series of articles intended to keep our clients, and others in the trading community who are regular readers of the articles we post on our web site, informed about eManifest. The goal of this article is to provide you with an understanding of the basic issues affecting the Importer Advanced Data set (IAD).

Perhaps the most contentious issue in the consultative efforts related to eManifest is the Importer Advance Data set (IAD). There are three main issues that have come to light, as follows:

- First, the data required for risk assessment is mandatory and must be submitted in advance of the arrival of goods at the First Port of Arrival (FPOA). This is Pre Arrival Reporting.
- Second, the data elements which form the IAD may not all be obtainable.
- Third, if all shipments on a trailer have not had their IAD information filed and approved by Customs' risk assessment system the trailer cannot move past the FPOA.

Pre Arrival Reporting

The first issue, mandatory pre arrival notification, while not mandatory at this time, has been a long established practice employed by the trading community. Currently PARS (Pre Arrival Review System) provides prior release data elements to customs. The highway mode has for the most part adopted PARS as the normal manner of doing business. Marine and Air have not adopted PARS for a number of reasons. Recently Bill S-2 was introduced in the Senate and, when passed into Legislation, will amend the Customs Act to read as follows.

Advance information

12.1 The Governor in Council may make regulations

- (a) requiring persons to give, before a conveyance's arrival in Canada, information about the conveyance and the persons and the goods on board the conveyance;
- (b) respecting the information that must be given;
- (c) prescribing the persons or classes of persons who must give the information;
- (d) prescribing the circumstances in which the information must be given; and
- (e) respecting the time within which and the manner in which the information must be given.

Once enacted into law, the amendment will allow the CBSA to mandate mandatory pre arrival reporting. For importers, brokers, carriers and others involved in the trade chain, the downside to pre arrival reporting is, in many cases, the limited time available for preparing and presenting the IAD and release information to the CBSA. Shipping locations close to the FPOA, the involvement of other government departments and shipments with multiple lines of data may be a problem.

Importer Advance Data Set Requirements (the elements)

The elements required for IAD have not been finalized. However, the CBSA has said some elements required today for release may not be required in the IAD set. Remember, in the future the importation of goods will be a two step process of risk assessment based on the IAD data set followed by physical release for consumption which requires added data elements. The future two step process will require the submission of more data elements than what is demanded by current pre-arrival processes. Examples are "consignor, commodity description, invoice quantity". CBSA have however included new elements not required today. One example is the manufacturer's complete name and address (street, city, location) of the entity that manufactures, fabricates, labels, produces and/or packages products. Manufacturer data elements have raised great concern as in many cases the shipper, or vendor, does not have the information and cannot get it.

The CBSA want the Harmonized System Code (Canadian version) for all goods to at least the six digit level. This may be very difficult to provide accurately. Between ten and twenty percent of all items entering Canada daily are new for the importer involved as they have never entered them into the country previously. When a detailed description and use are not provided it will be necessary for the broker submitting the data to the CBSA to contact the shipper or importer to find out exactly what the article is and where, or how, it is to be used in order to properly classify it. This is seen as a challenge as most vendors, shippers and importers are not open outside core business hours and it will not be possible to obtain the missing information (eg: Overnight; Weekends; Statutory Holidays; etc.).

Importer Data Sets Missing When Required

CBSA have clearly stated, “If this information is not received within the prescribed timeframes, the shipment will not be permitted to move past the FPOA until all required information is received and risk assessed.” This means if there are many shipments on the truck and one has not had its IAD filed and risk assessed, the truck will not be allowed to move forward, either in bond, or to the carrier’s break bulk warehouse located inland, until the missing information is supplied. This decision of the CBSA has caused great concern for importers, customs brokers and carriers. Holding trucks at the FPOA is the subject of further discussion between the trade community and the CBSA. Once we are confident that all avenues of appeal have been satisfied, we will advise you at that time if any changes are forthcoming

If you require further information or clarification of the issues discussed in this article, or have other concerns related to eManifest, please contact us at: emanifest@farrow.com.

The next article will deal with proposed implementation time frames.

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