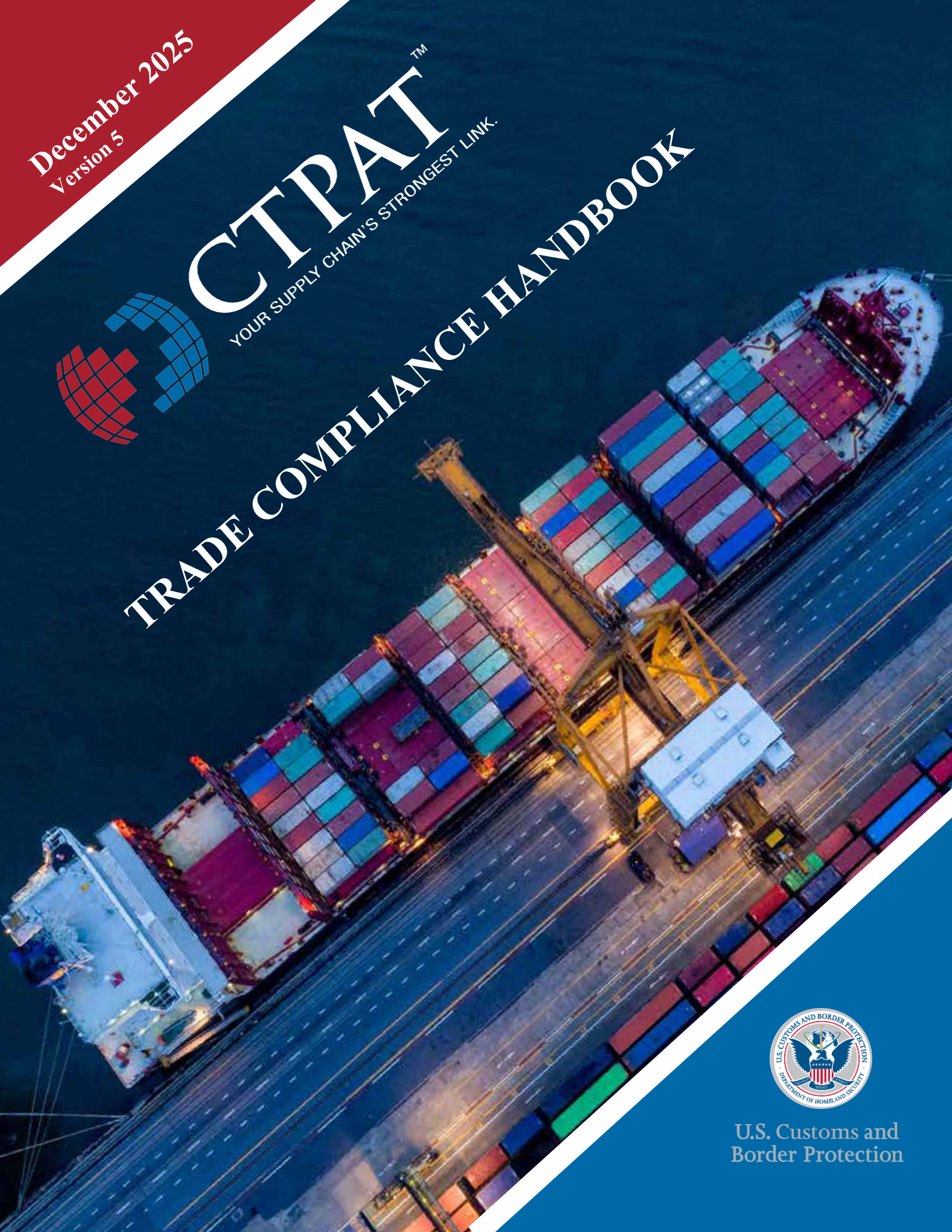
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Version 5

CTPAT™

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TRADE COMPLIANCE HANDBOOK



U.S. Customs and Border Protection



FOREWORD

I am pleased to present the Customs Trade Partnership Against Terrorism (CTPAT) Trade Compliance Handbook, a resource for understanding CTPAT's modernized Trade Compliance Program.

CTPAT has embarked on a journey to reinvigorate U.S. Customs and Border Protection's (CBP) trade compliance efforts. In close collaboration with private industry and best practices put forth by international trade groups, such as the World Customs Organization (WCO), CTPAT has established a program that is equipped to be the global standard for trade compliance.

The Trade Compliance Program is an evolution of the former Importer Self-Assessment (ISA) program. The goal of the program is to increase importer compliance and the flow of legitimate cargo into the United States. In exchange for compliance with regulatory trade requirements imposed by CBP and other government entities, the Trade Compliance Program offers meaningful benefits to the trade as part of partnership. These benefits are a combination of legacy CTPAT and ISA benefits, as well as benefits developed in collaboration with partners of the CTPAT Trusted Trader Pilot (established under Federal Register Notice 34334) and the Commercial Customs Operations Advisory Committee's (COAC) Secure Trade Lanes Subcommittee (Trusted Trader Working Group). These groups worked collaboratively with CBP to understand the major challenges importers face today, and to develop benefits that address those challenges and make program partnership worthwhile.

This handbook provides an overview of the major changes and improved industry benefits that have led to the modernization of CTPAT's Trade Compliance Program. I hope you find this resource helpful as you begin the process to join the Trade Compliance Program or begin the process of fulfilling your annual partnership requirements.

Thank you for doing your part to protect our Nation and support CBP's mission.

Sincerely,

Dina M. Amato
Director, CTPAT
Cargo and Conveyance Security
Office of Field Operations

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TRADE COMPLIANCE PROGRAM

1. INTRODUCTION AND PROGRAM MODERNIZATON

1.1 PURPOSE

The Trade Compliance Program is built on the knowledge, trust, and willingness to maintain an ongoing relationship between U.S. Customs and Border Protection (CBP) and importers that is mutually beneficial. The goal of the Trade Compliance Program is to partner with importers who can demonstrate their readiness to assume the responsibility of managing and monitoring their compliance through self-assessment. Importers accepted into the Trade Compliance Program receive tangible benefits, and their participation allows CBP to redirect resources and focus on higher-risk and unknown importers.

1.2 BACKGROUND AND PROGRAM HISTORY

The passage of the Customs Modernization Act (Customs Mod Act) in 1993 ushered in an era of new partnership concepts between the importing community and the U.S. Customs Service (now U.S. Customs and Border Protection). Under the Customs Mod Act, CBP and the importer share the responsibility for compliance with trade laws and regulations. The importer is responsible for using reasonable care when declaring the value, classification, and rate of duty applicable to entered merchandise, and CBP, through the Office of Trade, Office of Field Operations, and other relevant stakeholders, is responsible for informing the importer of its rights and responsibilities under the law.

In 2002, the Importer Self-Assessment (ISA) Program was initiated as a voluntary approach to trade compliance. The program was based on the premise that importers with strong internal controls designed to ensure a high level of compliance will require fewer enforcement reviews and less oversight. The ISA Program sought to offer meaningful benefits that could be tailored to industry needs and required that importers demonstrate readiness to assume responsibilities for managing and monitoring their own compliance through self-assessment. The program required that partners maintain a system of internal controls that demonstrates a sound business operation that supports the accuracy of their import transactions.

The Trade Compliance Program is an evolution of the former ISA Program with similar goals, requirements, and improved benefits. In 2016, CTPAT launched the Trusted Trader Strategy, which sought to integrate CTPAT and ISA into a consolidated program focused on supply chain security and trade compliance. The strategy was largely executed through the establishment of the Trusted Trader Pilot, which provided a forum for testing and developing new and revised program benefits and operations. Through integration and progress made in the Trusted Trader Pilot, the program laid the foundation for Trade Compliance.

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2. BENEFITS

The Trade Compliance Program offers benefits to importers who demonstrate a commitment to ensuring compliant import transactions. Below is an overview of the benefit categories a partner will receive:

- **National Account Manager (NAM):** Access to an assigned NAM, who acts as an advisor and liaison with CBP Headquarters and the Trade Compliance partner**.**
- **Trade Compliance Portal:** Access to the Trade Compliance section of the CTPAT Portal and use of the CTPAT Portal to review and update information related to Trade Compliance.
- **Enhanced Importer Trade Activity (ITRAC) Data Access and Automation**: Partners will have access to their ITRAC data directly from the portal.
- **Expedited Rulings:** Rulings and Internal Requests that are being adjudicated by the National Commodities Division will have priority and be placed at the front of the queue for processing within 20 days.
- **Multiple Business Units:** Opportunity to apply for coverage of multiple business units.
- **Multiple Importer of Record (IOR) Numbers:** Opportunity to apply for coverage of multiple IOR numbers.
- **Disclosures:** If CBP becomes aware of an error indicating a possible violation of 19 U.S.C. 1592 or 1593a, CBP will communicate with the partner regarding such errors and allow 30 days from the date of the communication for the partner to perform a self-assessment and submit a written disclosure of the relevant facts to CBP. This benefit does not apply if the matter is already a subject of an ongoing CBP investigation or if fraud is involved.
- **Penalties:** If civil penalties or liquidated damages are assessed against a partner, the partner's participation in Trade Compliance may be considered as a mitigating factor in the disposition of the case.
- **Exemption from Focused Assessments (FA):** Partners are exempt from FAs performed by CBP's Trade Regulatory Audit (TRA). However, partners may be subject to a single-issue audit to address a specific concern.

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- **Exemption from Drawback and Foreign Trade Zone (FTZ) Audits:** The account will be removed from TRA's audit pool for Drawback and FTZs if they requested to have these programs included in the Trade Compliance Program.

- **Quarterly Newsletter:** CBP prepares a quarterly newsletter for Trade Compliance partners and distributes the newsletter via the portal.

New forced labor benefits are provided in exchange for compliance with the updated Trade Compliance Program forced labor requirements. Additional information regarding the forced labor requirements and benefits is available in the FAQs. CBP will provide the following forced labor benefits to the greatest extent possible and practical:

- **Front of the Line Admissibility Review:** Trade Compliance partners who have shipments detained due to forced labor will have their admissibility packages prioritized for review by the appropriate Center of Excellence and Expertise (Center). The importer must assert that they are an active Trade Compliance partner and request prioritized review at the time that supporting documentation is submitted to CBP. Upon this declaration, the Center should prioritize the processing of the package above other non-Trade Compliance partner packages received within the Center team or division, to the best of their ability.

- **Redelivery Hold:** Trade Compliance partners who have shipments arrive at their facility and held for forced labor issues may hold their shipments intact at their facility until CBP resolves the issue. This benefit is the alternate to redelivering the goods to CBP until physical inspection and admissibility determination is made.

- **Preliminary Notification of a Uyghur Forced Labor Prevention Act Hold:** Trade Compliance will provide, to the best of the program's ability, advance notice of a possible hold, detention, exclusion, and/or seizure of merchandise after the entry is filed for cargo arriving in the United States and subject to the Uyghur Forced Labor Prevention Act (UFLPA or "the Act").

  Preliminary notifications will be provided by the Trade Compliance mailbox to the points of contact within the Trade Compliance account who have "Email Notification (Trade Compliance)" box marked "Yes". The notification will include the entry number and associated lines that may be subject to a detention, exclusion, and/or seizure due to the enforcement requirements of the UFLPA (Pub. L. 117-78; 22 U.S.C. § 6901).

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Further information regarding the entry and the data it contains may be obtained from your licensed customs broker. CBP, including the assigned NAM, will be unable to provide further information beyond what is provided in the notification. The notification does not denote any final decision made by CBP but may be used by the partner to prepare for a possible shipment hold, detention, exclusion, and/or seizure.

- **Preliminary Notification of a Hold for Withhold Release Orders and Findings of Forced Labor:** The preliminary notification has been expanded to include withhold release orders and findings of forced labor. Preliminary notifications will be provided by the Trade Compliance mailbox to the points of contact within the Trade Compliance account who have the "Email Notification (Trade Compliance)" box marked "Yes". The notification will include the entry number and associated lines that may be subject to a detention, exclusion, and/or seizure due to an active withhold release order or finding of forced labor pursuant to 19 U.S.C. § 1307.

- **Foreign Trade Zone for Storage of Goods Subject to Potential Forced Labor Enforcement Action:** Trade Compliance partners in good standing may utilize an FTZ for the storage of goods subject to potential forced labor enforcement actions.

- **Advance Notice of a Withhold Release Order:** Trade Compliance will provide, to the best of the program's ability, advance notice (48 hours' notice) of new Withhold Release Orders. This notice will be provided by the Trade Compliance mailbox to the points of contact within the Trade Compliance account who have the "Email Notification (Trade Compliance)" box marked "Yes". CBP asks that partners please not share this information with the Trade.

Importers who are partners in Trade Compliance also receive CTPAT benefits. A list of CTPAT benefits can be found here: CTPAT: Customs Trade Partnership Against Terrorism.

3. APPLICATION PROCESS

The following steps summarize the Trade Compliance application submission process and review process. For detailed instructions on applying and maintaining partnership, please refer to the new CTPAT Trade Compliance Portal Manual, as well as the new Trade Compliance Program Requirements, both of which can be found in the Public Documents library of the CTPAT Portal, as well as on www.CBP.gov.

3.1 Application Submission Process

The CTPAT Portal streamlines applications to CBP's trade partnership programs and meets Department of Homeland Security mandated security requirements. The Trade Compliance section of the CTPAT Portal serves as a central electronic location for CTPAT importers to learn more about the Trade Compliance Program and apply when eligible. Launched in 2019 and updated in 2024, the Trade Compliance Portal complements the existing CTPAT Portal and provides an electronic and streamlined process for eligible importers to apply for the Trade Compliance Program and manage their status in the program. All importers must complete the application process in the Trade Compliance Portal to become a partner of the Trade Compliance Program. The Trade Compliance application can be accessed through the importer's existing CTPAT Portal account by selecting Launch Trade Compliance under the Actions button.

Note: Only a company officer, as designated in the CTPAT Portal, can launch the Trade Compliance Portal to create a Trade Compliance application.

If an importer meets the prerequisite requirements, they will be given the opportunity to begin the application process. For additional information regarding the prerequisite requirements, please refer to the new Trade Compliance Program Requirements, which can be found in the Public Documents library of the CTPAT Portal, as well as on www.CBP.gov.

The first step in the application process is to respond to a series of eligibility questions. A complete list of the eligibility questions is included in Appendix A. Once the eligibility questions are answered in full, if eligible, importers will be directed to the Trade Compliance application screen. If an importer is not yet eligible to apply, a Trade Compliance ineligibility notice will be issued.

If an importer has been deemed to be eligible for the Trade Compliance Program, it can proceed with the application by selecting the IOR numbers to be included in the application, confirming points of contact for the program, uploading the required attachments, responding to the questionnaire, and executing the Trade Compliance Memorandum of Understanding (MOU). Each component is dependent on the prior component to move forward with the application process. For additional information regarding the application requirements, please refer to the new Trade Compliance Program Requirements, which can be found in the Public Documents library of the CTPAT Portal, as well as on www.CBP.gov.

All eligible IOR numbers will be displayed for selection. The importer must carefully select which IOR numbers are to be included in the Trade Compliance application and ensure the appropriate required documents cover each IOR number.

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Once all sections are complete, the application package must be submitted electronically via the portal. To apply and electronically sign the MOU, the highest-level compliance officer, as listed in the CTPAT Portal, must submit the final application (note: this individual will be prompted to enter their sign in password prior to the submission being accepted by CBP).

An example MOU is available for review in Appendix C.

3.2 Application Review Process

1. Following the application submission, CBP will review the application package within the Trade Compliance Portal to determine whether the application is complete. If the application is complete, the application will be forwarded to CBP's Office of Trade, Trade Regulatory Audit (TRA) for further review. If the application is incomplete, CBP will contact the applicant's point of contact via email to request the missing information.
2. TRA will schedule a formal, in-person meeting with the applicant, referred to as the Application Review Meeting (ARM). The ARM is generally scheduled for 2 days and includes a review of the applicant's internal controls to determine the applicant's readiness to assume the responsibilities for self-assessment. TRA will provide the applicant with an agenda for the ARM that identifies the areas to be discussed, as well as up to five entry lines to walk through.
3. When the importer has demonstrated readiness to assume the responsibilities for self-assessment, CBP will establish the partnership by signing the MOU. See Section 3.3 for more information.
4. Once a partner of Trade Compliance, the importer will receive the benefits of both CTPAT and Trade Compliance if the importer fulfills the ongoing participation requirements of the program. For additional information regarding these requirements, please refer to the new Trade Compliance Program Requirements, which can be found in the Public Documents library of the CTPAT Portal, as well as on www.CBP.gov.

3.3 Trade Compliance Decision

Based on the information provided in the application and the information gathered prior to, during, and after the ARM, CBP will determine whether an importer should be accepted into Trade Compliance. The decision will be provided in one of three forms:

Accepted: Applicants are formally notified of CBP's decision through the Trade Compliance Portal. CBP will execute the MOU and issue a formal letter advising of acceptance into the program.

Additional Information Needed: If CBP identifies internal control inconsistencies or unresolved issues during the initial evaluation that require more than 60 days to correct, the team will request a follow-up review. The Trade Compliance follow-up evaluation will re-assess the applicant's readiness once the applicant has undertaken corrective action.

Generally, the applicant is given up to 120 days to develop and implement corrective actions and/or provide additional documentation before the follow-up evaluation is initiated. CBP will remain in contact with the applicant during this time to answer questions as necessary. If there are still unresolved issues after corrective action, CBP will continue to work with the applicant to ensure that all identified inconsistencies and/or issues have been addressed prior to initiating a follow-up evaluation.

APPLICATION DECLINED: CBP will provide a notice indicating the reason(s) why the application was declined and will allow the applicant 90-120 days to correct errors and resubmit the application with corrective actions and corresponding evidence.

For any questions regarding the status of an application, please reach out to CBP by emailing CTPATTradeCompliance@cbp.dhs.gov.

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3.4 Focused Assessment To Trade Compliance

CTPAT Tier II or Tier III importers that have undergone a CBP FA and have been deemed by TRA to represent an acceptable risk to CBP within the last 12 months may be eligible to transition into the Trade Compliance Program without an ARM. Qualified importers will need to submit a Trade Compliance application, including a self-testing plan, which will be reviewed by TRA. The importer should apply through the Trade Compliance Portal and will declare their eligibility based on the FA by uploading an FA to Trade Compliance Invitation Letter sent by CBP. More information regarding this process can be found in the Customs Bulletin and Decisions, Vol. 46, No. 44, dated October 24, 2012.

3.5 Internal Control Guidance

To assist importers in developing and evaluating their system of internal controls for CBP operations, importers should review "Guidance for Developing Internal Controls" (Appendix D), which is an explanation of the components of an internal control program.

The applicant must establish, document, and implement internal controls, and make appropriate adjustments to internal controls.

Internal controls may vary considerably between companies due to:

- Variations in company mission, goals, and objectives;
- Differences in environment and the manner in which they operate;
- Variations in degree of organizational complexity;
- Differences in company history and culture; and
- Differences in the risks companies face and are trying to mitigate.

4. PARTICIPATION MODIFICATION

4.1 Mergers, Acquisitions, and Company Buyouts

Trade Compliance partners involved in a merger, acquisition, company buyout, bankruptcy, or any other corporate restructuring must report this activity to their CTPAT Supply Chain Security Specialist, their NAM, and the CTPATTradeCompliance@cbp.dhs.gov mailbox via an official letter on company letterhead. These individuals will work together to determine how to advise the partner moving forward. Because these scenarios are often complicated, each case will be handled on a case-by-case basis.

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4.2 Adding/Removing Importer of Record Numbers

Partners interested in adding an IOR number(s) to their Trade Compliance account must request the addition via an official letter on company letterhead that is sent to their NAM and the CTPATTradeCompliance@cbp.dhs.gov mailbox. The letter must include the additional IOR number(s) along with a complete justification for the addition. The partner must also provide updates to the internal control manual and self-testing plan to reflect the additional IOR number(s). If the new IOR number(s) entails drawback and/or FTZ operations, additional information will be required, i.e. internal control procedures covering those areas.

This process also applies to partners interested in removing an IOR number(s) from their Trade Compliance account. This process does not apply to situations where mergers, acquisitions, company buyouts, or any other corporate restructuring occurs. Please reference Section 4.1 of this document for further information regarding these scenarios.

5. CONTINUATION EVALUATION

After a partner has been in the Trade Compliance Program for 5 years, a continuation evaluation may be considered. However, risk indicators or non-compliance with program requirements may warrant a continuation evaluation prior to the 5-year period. The purpose of the continuation evaluation is to assess whether the partner is continuing to meet the Trade Compliance Program requirements. If CBP identifies weaknesses or noncompliance, the partner will be notified and given an opportunity to correct the issue(s).

CBP will remove partners from the Trade Compliance Program for any issues that pose a significant risk to compliance with CBP laws and regulations and/or a partner's failure to demonstrate the program requirements have been met.

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6. WITHDRAWAL, SUSPENSION, and REMOVAL PROCEDURES

6.1 WITHDRAWAL

A partner (or any IOR number within a partner's Trade Compliance account) reserves the right to withdraw from the program at any time. If a partner determines it no longer wishes to participate in the Trade Compliance Program, it must notify CBP via an official letter on company letterhead that is sent to the partner's NAM and the CTPATTradeCompliance@cbp.dhs.gov mailbox. CBP will confirm receipt of the letter and process the withdrawal. Once the partner has been withdrawn from the Trade Compliance Program, the assigned NAM will be removed from the account and will no longer be available to support the importer. CBP will issue a letter communicating that the importer has been removed from the program. Once the partner has been removed from the program, the importer will be eligible to reapply at the discretion of CBP.

6.2 SUSPENSION

Trade Compliance partnership is dependent on satisfactory partnership in CTPAT. If a partner (or any IOR number within the partner's Trade Compliance account) is suspended from CTPAT, the partner will automatically be suspended from Trade Compliance. When this occurs, the importer will be notified through the Trade Compliance Portal. From there, CBP is committed to working with the importer to take the proper steps required to reinstate partnership, if applicable.

CTPAT partnership is not dependent on Trade Compliance partnership; therefore, a Trade Compliance partner (or any IOR number within the partner's Trade Compliance account) can be suspended from the Trade Compliance Program but remain in CTPAT.

CBP may suspend partners from the Trade Compliance Program for reasons including, but not limited to:

- Failure to comply with all applicable CBP laws and regulations;
- Failure to maintain the internal control system, execute an annual self-testing plan, and perform annual risk assessments;
- Failure to share appropriate disclosures with CBP;
- Failure to reaffirm that the partner is meeting program's requirements by failing to submit an ANL through the Trade Compliance Portal within 30 days of the anniversary of the program acceptance date; or
- Failure to notify CBP of major organizational changes as soon as possible, but not later than the submission of the ANL.

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6.3 Procedures for Suspension

Typically, each suspension is preceded by outreach efforts to provide the partner with the opportunity to demonstrate compliance with program requirements. If CBP determines there is a basis for the suspension of a partner, a notice of proposed suspension will be sent through the Trade Compliance Portal to apprise the partner of the facts that warrant their suspension.

The partner may respond to the proposed suspension through the portal. The partner's response should be submitted within 60 days of the date of the notice. The response should address the facts outlined in the notice and how compliance has been achieved. CBP will issue a final written decision on the proposed suspension after the 60-day response period has closed.

If a partner is suspended, their participation in the Trade Compliance Program will be revisited at the conclusion of the suspension period, during which the partner is expected to address the facts that led to the suspension.

6.4 Removal

Trade Compliance partnership is dependent on satisfactory partnership in CTPAT. If a partner (or any IOR number within the partner's Trade Compliance account) is removed from CTPAT, the partner will automatically be removed from Trade Compliance. When this occurs, the importer will be notified through the Trade Compliance Portal. From there, CBP is committed to working with the importer to take the proper steps required to reinstate partnership, if applicable.

CTPAT partnership is not dependent on Trade Compliance partnership; therefore, a Trade Compliance partner (or any IOR number within the partner's Trade Compliance account) can be removed from the Trade Compliance Program but remain in CTPAT.

CBP may remove partners from the Trade Compliance Program for reasons including but not limited to:

- Participation in the program was obtained through fraud or misstatement of fact;
- Partner is convicted of any felony or has committed acts that would constitute a misdemeanor or felony involving theft, smuggling, or any theft-connected crime;
- Partner refuses to cooperate with CBP in response to an inquiry, audit, or investigation;
- Partner fails to fulfill the terms of the MOU; or
- The continuation evaluation concludes the partner is not meeting the requirements of the program.

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6.5 Procedures for Removal

If CBP determines there is a basis for the removal of a partner, a notice of proposed removal will be sent through the Trade Compliance Portal to apprise the partner of the facts that warrant their removal.

The partner may respond to the proposed removal through the portal. The partner's response should be submitted within 60 days of the date of the notice. The response should address the facts outlined in the notice and how compliance has been achieved. CBP will issue a final written decision on the proposed removal after the 60-day response period has closed.

Once a partner has been removed from the program, the importer will be eligible to reapply at the discretion of CBP. In cases where public health or safety interests are concerned, removal from the program may be effective immediately as a final action.

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Appendix A: Trade Compliance Eligibility Questions

#	Eligibility Questions / Requirements	Yes	No
1.	Do you have a general authority to do business without requiring the approval of another person outside the United States or Canada?	Yes	No
2.	Are you an active United States importer or Non-Resident Canadian importer who meets the requirements set forth in 19 CFR Part 141, including in particular, Sections 141.17 and 141.18?	Yes	No
3.	Do you maintain separate books and records for your United States / Canada operations, prepare separate financial statements, maintain accounts for the imported goods, and are you responsible for payment of import duties and taxes?	Yes	No
4.	Do you possess a valid continuous importation bond filed with CBP?	Yes	No
5.	Are you willing to complete a Memorandum of Understanding (MOU) and Trade Compliance Questionnaire?	Yes	No
6.	Do you maintain an internal control system that is designed to provide assurance of compliance with CBP laws and regulations?	Yes	No
7.	Do you perform annual risk assessments to identify risks to compliance with CBP laws and regulations?	Yes	No
8.	Do you maintain and make appropriate adjustments to the system of internal controls?	Yes	No
9.	Have you designed an annual self-testing plan in response to identified risks? Do you implement corrective action in response to errors and internal control weaknesses disclosed by self-testing?	Yes	No
10.	Do you maintain an audit trail from financial records to CBP declarations, or an alternate system that ensures accurate values are reported to CBP?	Yes	No
11.	Do you make appropriate disclosures through a prior disclosure, reconciliation, post summary corrections, or a supplemental letter to CBP?	Yes	No
12.	Are you willing to submit an Annual Notification Letter (ANL) certifying that you continue to meet CTPAT Trade Compliance requirements as listed in the Handbook?	Yes	No
13.	Do you agree to notify CBP of all major organizational changes?	Yes	No

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Appendix B: Trade Compliance Application Questions

I. Company Information

1. Company Information (Required Document)
    - Date Prepared:
    - Company Name:
    - Business Address:
    - Phone Number:
    - Company Website:
    - Company Type: Public or Private
    - Business Fiscal Year:
    - Name, Title, Phone Number, and e-mail address of company contact:
    - Please describe the overall organization/operating structure and provide organizational chart of the company.

2. IOR(s) Numbers:
    - Note, if the IOR number (s) in the Trade Compliance application is also used for Drawback and/or FTZ activities, those activities will be included in the Trade Compliance application review process.
    - If the Drawback or FTZ activity uses a different IOR number, please specify those IOR numbers if you'd like them included in this Trade Compliance application.
    - Provide the names and addresses of any related foreign and/or domestic companies, such as the company's parent, sister, subsidiaries, or joint ventures, etc.

3. Do all of your company's business units/subsidiaries operate under a centrally controlled customs compliance policy/system? (Y/N)
    - If no, describe how the compliance system operates in other divisions/subsidiaries. (Open Text)

4. Does your company maintain an in-house compliance department dedicated to maintaining and updating your company's operations in adherence to government regulations, laws, executive orders, and procedures that will affect your CBP operations? (Y/N)
    - If so, please provide details on management and operational activities performed by this department. (Required Document—Organizational Chart/ Free Text)

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5. If not in house (per #4 above), do you have a contract with a CBP brokerage house or consulting service to provide this advisory assistance? (Y/N)
    - Would you like this company/firm to participate with you in the Trade Compliance application/review process? If yes, which company/firm? (Y/N – Free Text)
6. Does the company have compliance training (external, internal, or both) that provides pertinent training for its internal compliance office and other departments that are involved with CBP related activities? (Y/N)
    - If so, evidence of the training program, such as a training log that describes course taken and attendees, must be included in the application. (Y/N – Required Document)

7. Is your company applying to Trade Compliance due to successfully completing a Focused Assessment (FA)? If so, please provide your invitation letter from Trade Compliance. (Y – Required Document)

II. Import Activity

8. Does the company monitor/track its annual duties, fees, and taxes paid to CBP to ensure bond sufficiency?
    - If yes, briefly describe how this is done and include how payments of duties and fees are made? (i.e. PMS, ACH, Debit, Credit or by Broker)? (Y/N – If Y, Supporting Text Required)

9. Has the company's surety been required to pay a claim on its behalf in the past 5 years?
    - If yes, please provide claim details. (Y/N – If Y, Supporting Text Required)

10. Does the company own, or hold a license to use, trademarks or copyrights for goods it imports into the United States? (Y/N)
    - If yes, please identify the imported merchandise that falls under the license agreement or pertains to the company owned intellectual property rights (IPR). (If Y, Supporting Text Required)

11. Does the company import products that are subject to an exclusion order from the International Trade Commission (ITC)? (Y/N)
    - If yes, please list them. (If Y, Supporting Text Required)

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III. System of Internal Controls

12. Does your company have a written, comprehensive system of internal controls for its import processes that is consistent with the five interrelated components of internal control as defined by Committee of Sponsoring Organizations of the Treadway Commission (COSO) published report entitled "Internal Control-Integrated Framework": (Y/N – Check)
    - Control environment
    - Risk assessment
    - Control activities
    - Information and communication
    - Monitoring

13. Does the company's written internal control procedures focus on ensuring trade compliance for the following areas? (Y/N Check all of the applicable options below. Documents Required)
    - Value
    - Drawback
    - Foreign Trade Zone
    - Classification
    - Country of Origin
    - Trade Agreements
    - AD/CVD
    - Forced labor
    - Other

IV. Risk Assessment Results

14. Is your company prepared to provide risk assessment testing results to include areas of potential risk? (Y/N)
    - If so, please summarize the risk management and assessment process. (Free Text)

V. Periodic Testing Results

15. Do the company's internal control procedures include a process for conducting periodic self-testing to include reporting results and implementing corrective actions? (Y/N)
    - If so, please provide details. (Free Text)

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16. Do you make adjustments to your internal control system when tests or other information show a need for improvement with your compliance procedures? (Y/N)
    - If so, please provide details. (Free Text)

17. Does your internal control process include a record keeping system that maintains evidence of testing and testing results for at least 3 years and enables you to submit documents in a timely manner to CBP upon request, to include tests and test results? (Y/N)
    - If so, please provide details. (If Y, Supporting Text Required)

VI. Prior Disclosures

18. What processes do you have in place to initiate appropriate disclosures to CBP when issues are discovered through your self-testing?
    - Provide Response. (Free Text)Publication Number 5277-1225

VII. Government Agency Affiliation

19. Do you participate in any other partnership programs with any other government agencies? (Check one or more of the applicable options below) (Y/N Check One)
    - FDA
    - CPSC
    - Not Applicable
    - Other

Appendix C: Trade Compliance Memorandum of Understanding (MOU)

U.S. Customs and Border Protection
Trade Compliance Program
Memorandum of Understanding

This Memorandum of Understanding (MOU) is the document that describes very broad concepts of mutual understanding, goals and plans shared by the parties. As such, (company name) requests to participate in the Trade Compliance program (program) (formerly the Importer Self-Assessment program). This agreement is made between (company name) hereinafter referred to as the account and U.S. Customs and Border Protection, hereinafter referred to as CBP. We acknowledge that the primary objective of the Program is to maintain a high level of trade compliance with customs laws through a cooperative CBP/ account partnership.

The account and CBP recognize the need to jointly address trade issues in order to maintain an efficient and compliant import process. This MOU is designed to strengthen the account's ability to maintain a high level of compliance with CBP requirements through effective internal controls of CBP activities and a cooperative interchange of ideas and information with CBP.

The program represents an opportunity to establish a joint informed compliance effort, in a process built on knowledge, trust, and the desire to maintain an ongoing CBP/ account relationship. The program provides CBP with the means to recognize and support the account's efforts to achieve compliance and offers the account the opportunity to demonstrate compliance and receive related benefits.

This MOU does not exempt the account from statutory penalties or sanctions in the event of noncompliance. However, the extent to which the account has shown compliance with the terms of this MOU will reflect favorably and may be a mitigating factor toward any CBP decision or recommendation on final case disposition.

The following are the account and CBP's responsibilities under this MOU. More specific information detailing the roles and responsibilities of the account and CBP are provided in the Trade Compliance Program Handbook.

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ACCOUNT ROLES AND RESPONSIBILITIES

- Be a Customs Trade Partnership Against Terrorism (CTPAT) partner.
- Complete the Trade Compliance Memorandum of Understanding and Questionnaire.
- Comply with all applicable CBP laws and regulations.
- Develop, update, and maintain an internal control system that is designed to provide reasonable assurance of compliance with CBP laws and regulations.
- Conduct analysis and perform annual risk assessments to identify any risks related to compliance with CBP laws, regulations, and related transactions.
- Design and execute a periodic self-testing plan in response to identified risks.
- Implement corrective actions in response to errors and internal control weaknesses disclosed by self-testing:
  - ✓ Maintain results of testing for 3 years and make test information available to CBP upon request;
  - ✓ Make the necessary adjustments to internal controls in a timely manner; and
  - ✓ Maintain an audit trail of financial records related to CBP declarations or an alternate system that ensures values reported to CBP are accurate.
- Make accurate and complete disclosures.
- Notify CBP of major organizational changes as soon as possible.
- Immediately inform CBP of incidents related to Priority Trade Issues (PTIs) which represent high-risk areas that can cause significant revenue loss, harm the U.S. economy, or threaten the health and safety of the American people.
- Timely submit an Annual Notification Letter (ANL) to CBP in accordance with the requirements listed in the Trade Compliance Program Handbook.

CBP ROLES AND RESPONSIBILITIES

- The account will be assigned a National Account Manager (NAM).
- CBP will provide guidance related to compliance, risk assessments, internal controls, etc. providing the account with greater business certainty.
- The account will be removed from Trade Regulatory Audit's (TRA) audit pool established for Focused Assessments.
- The account will be removed from TRA's audit pool for drawback and foreign trade zones if they requested to have these programs included in the Trade Compliance Program.
- The audit exemptions will apply to each specific area when it is determined that adequate internal controls are in place to ensure compliance with CBP laws and regulations. However, accounts may be subject to on-site examinations for single-issue reviews.

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- The account will be able to obtain their Importer Trade Activity (ITRAC) data via the CTPAT Portal on a quarterly basis.
- If CBP becomes aware of errors indicating a possible violation of 19 U.S.C. 1592 or 1593a, CBP will communicate with the partner regarding such errors and allow 30 days from the date of the communication for the partner to perform a self-assessment and submit a written disclosure of the relevant facts to CBP. This benefit does not apply if the matter is already a subject of an ongoing CBP investigation or if fraud is involved.
- The account's participation in the Trade Compliance Program may be considered as a mitigating factor in the disposition of assessed civil penalties or liquidated damages cases.

This MOU governs the account's activities under the following IOR numbers. The account has the opportunity to apply for coverage of multiple business units.

Company Name	Trade Compliance Office Physical Address	Importer of Record Number (s)

REPORTING AND DOCUMENTATION

The account must submit its first ANL to the Trade Compliance Program (via the Trade Compliance Portal) 12 months after its Trade Compliance Program acceptance date, which is the date that the Director, CTPAT, Office of Field Operations, signs the MOU. The ANL is due every 12 months thereafter. The company representative that signed the MOU submitted to CBP, or an equivalent, should sign and submit the ANL.

MODIFICATIONS

This agreement may be modified upon mutual consent of the parties involved. An original revised MOU must be prepared and attached to the ANL if additional importer of record number(s) and/or merged/acquired entities with own unique importer of record number will be added to the program approved account.

OTHER PROVISIONS

Nothing in this Agreement is intended to conflict with current laws, regulations, or the directives of CBP and ____(company name)____. If any term of this agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this agreement shall continue in full force and effect.

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POINT OF CONTACT

U.S. Customs and Border Protection
Office of Field Operations/Cargo and Conveyance Security
CTPAT Partnerships & Engagement Branch
1300 Pennsylvania Avenue NW
Washington, DC 20229-1015

The account may use third parties to fulfill roles and responsibilities of this agreement. This agreement shall enter into force upon each party's signature and shall remain in effect until notification of termination or failure to perform as agreed.

U.S. Customs and Border Protection enters into this Memorandum of Understanding pursuant to The Customs Modernization Act (19 U.S.C. Section 3431) and the Department of Homeland Security Management Directive 0450.1 dated January 24, 2003.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this agreement.

FOR U.S CUSTOMS AND BORDER PROTECTION	FOR THE ACCOUNT
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Title	Title
_____	_____
Date	Date

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Appendix D: Guidance for Developing Internal Controls

GUIDANCE FOR DEVELOPING INTERNAL CONTROLS

The following guidance is provided to assist a company in developing internal controls. Please note that the list is not all-inclusive and that Trade Compliance partners should design their program to fit the circumstances, conditions, and risks relevant to the situation of the company.

An effective system of internal controls should contain the following components:

Control Environment: The company establishes and maintains an environment that supports CBP compliance, including fostering a system that supports compliance, maintaining competent personnel, and maintaining an organizational structure that supports compliance.

Management conveys the message that integrity and ethical values must not be compromised. Management and employees have a positive and supportive attitude toward CBP internal controls and conscientious management of CBP- related operations. Management has a philosophy and operating style that is appropriate to the development and maintenance of effective internal controls for CBP, as evidenced by the following:

- A commitment to the competence of personnel responsible for CBP-related activities. The company educates and trains employees about CBP programs that are affected by the employees' jobs. The employees should be educated on the importance of CBP activities related to or affected by their job and the possible impact of errors. The employees should be trained to successfully perform the job.
- The company's organizational structure and the way in which it assigns authority and responsibility for CBP operations contribute to effective internal controls.
- The company's management cooperates with auditors, does not attempt to hide known problems from them, and values their comments and recommendations.

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Risk Assessment: The company identifies risks to the goal of CBP compliance, analyzes them for possible effects, and designs control activities to manage those risks. The company has established clear and consistent company- wide objectives and supporting activity-level objectives related to CBP activities. The following evidence risk assessment activities:

- Management has made a thorough identification of risks pertaining to CBP activities, from both internal and external sources, which may affect the ability of the company to meet those objectives.
- An analysis of those risks has been performed, and the company has an appropriate approach for risk management.
- Mechanisms are in place to identify changes that may affect the company's ability to achieve its missions, goals, and objectives related to CBP activities.

Control Activities: The company documents and implements policies and procedures and other control activities to ensure complete and accurate reporting to CBP as well as compliance with other CBP requirements. Procedures should include the correct reporting of information for value, classification, special trade programs, special duty provisions, and other CBP issues such as quota and antidumping/countervailing duties.

Appropriate policies, procedures, techniques, and control mechanisms must be developed and in place to ensure adherence to established CBP requirements. The following evidence control activities:

- Proper control activities have been developed and documented for each of the company's CBP activities.
- The control activities identified as necessary are actually being applied properly.
- All documentation of transactions and records are properly managed, maintained, and reviewed, as necessary.
- Control procedures are reviewed and revised, as necessary.

Information and Communication: The company establishes and maintains processes to ensure that relevant, reliable information pertaining to CBP is recorded and communicated through the organization to those who need it and that information provided to CBP is complete and accurate.

Information systems are in place to identify and record pertinent operational and financial information relevant to CBP activities. Management ensures that effective internal communications take place. The company employs various forms of communications appropriate to its needs and manages, develops, and revises its information systems in a continual effort to improve communications. The following evidence effective information and communication for CBP:

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- Appropriate information is identified, recorded, and communicated to management responsible for CBP activities and others within the company who need it, in a form that enables them to carry out their duties and responsibilities efficiently and effectively.
- Effective external communications occur with groups that can affect the achievement of the company's missions, goals, and objectives related to CBP activities.
- Individual roles and responsibilities for CBP activities are communicated through policy and procedure manuals.

Monitoring: The company monitors its CBP activities to assess the quality of performance over time and ensure that issues and deficiencies are promptly resolved and that procedures are corrected to prevent recurrence. Monitoring will include some testing of CBP compliance on a periodic basis. Results of testing will be maintained for three years and will be provided to CBP on request. Company internal control monitoring assesses the quality of performance related to CBP activities over time. The following evidence monitoring:

- Procedures to monitor internal controls occur on an ongoing basis as a part of the process of carrying out regular activities.
- Separate evaluations of internal controls are periodically performed, and deficiencies found are investigated.
- Procedures are in place to ensure that the findings of all audits and other reviews are promptly evaluated, decisions are made about the appropriate response, and actions are taken to correct or otherwise resolve the issues promptly.

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Appendix E: Risk Assessment and Self-Testing Plan Development

Trade Compliance Program
SELF-TESTING PLAN

INTRODUCTION

This document is a risk assessment and self-testing development tool created for Trade Compliance Program applicants. The intent of this document is to provide guidance as well as a starting point for the design, development, and documentation of a self-testing plan. The self-testing plan is a required document that must be submitted as part of the Trade Compliance application package, and ongoing self-testing is a requirement for continued participation in the Trade Compliance Program.

Under the Trade Compliance Program, CBP will allow flexibility and will not dictate specific testing requirements because self-testing is part of the monitoring activities of a company's system of internal controls. It is important that a company has the flexibility to design a program that fits its specific needs. Therefore, each company must perform its own risk assessment, develop its own control procedures, and design its own self-testing program to monitor and mitigate risk and ensure that import transactions are accurate and compliant with CBP laws and regulations. The goal is to identify and eliminate vulnerabilities in a company's import compliance program.

CBP's expectation is that the self-testing plan will be detailed regarding how risk is assessed; how often the risk assessment is updated to identify new risk and how new risks will be managed; how often self-testing will occur; who will perform the risk assessment and testing; how the results will be documented; and how corrective actions will be implemented, when needed. To help Trade Compliance Program applicants better understand risk assessment and self-testing, CBP compiled a list of risk assessment factors and self-testing questions that companies may consider. Additionally, example scenarios have been included to help demonstrate the risk assessment factors and self-testing questions.

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RISK ASSESSMENT FACTORS TO CONSIDER

Risk is the degree of exposure that would result in loss to the trade, industry, or the public. Potential risk exists in ordinary day-to-day transactions as well as those extraordinary transactions that happen infrequently or unintentionally. To identify risk, a risk assessment, which is the integrated process for identifying and managing risk in trade compliance, should be performed on a continuing basis or at least on an annual basis. Below are some example risk factors to consider:

- Use of new, multiple, or sub-contracted brokers;
- Use of special trade programs such as trade agreements, or special duty provisions such as Harmonized Tariff Schedule of the United States (HTSUS) Chapters 98 and 99;
- Importation of products potentially subject to antidumping/countervailing duties;
- Complexity of HTSUS classifications to types of merchandise imported;
- Use of a Basis of Appraisement other than Transaction Value;
- Use of "first sale" for valuation;
- Use of Delivered Duty Paid terms of sale;
- Payments in addition to the price paid or payable (i.e., packing, selling commissions, assists, royalties, license fees, and proceeds from subsequent resale);
- Quality and quantity of pre-entry or post-entry reviews;
- Organizational changes that may affect the commitment to compliance, new management structure, reduction in staff, etc.;
- Changes to core business, addition of new product lines, and/or use of new manufacturers; and,
- Impact of communication between CBP and the company (i.e., internal advice/ruling decisions/information requests/notices of change liquidation).

RISK ASSESSMENT EXAMPLE SCENARIOS

Example Scenario 1: XYZ Company utilizes an automated system for its post-entry valuation review, which is a three-way match of the purchase order value, invoice value, and entry summary value. Any differences between the three values causes a discrepancy report to be generated that is sent to the Customs Compliance Department for research and/or corrective action. This is the process in place for the vast majority of XYZ Company's entries. The remaining entries, which are manually entered by the company's broker, are not subject to the automated post-entry valuation review.

The fact that a number of XYZ Company's transactions are not subject to the company's control activities (listed above) means that these transactions should be considered during the risk assessment. Additionally, XYZ Company should consider whether the values being compared by the automated system have been verified for accuracy, e.g., are there any additions to the price paid or payable not being declared.

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Example Scenario 2: Company X, which is a long-time Trade Compliance Program partner, acquires ACME Corporation, a non-Trade Compliance Program company. While ACME Corporation maintained its own import compliance manual along with desktop policies and procedures prior to its acquisition, Company X's policy is to gradually integrate any acquired company's import operations into its import compliance manual and associated policies and procedures. Company X should evaluate ACME Corporation's policies and procedures to identify risk areas and review a sample of their past import transactions. The review will help Company X to determine what the risk factors are and where improvements are needed. Until ACME Corporation's import operations are fully integrated into Company X's procedures, current transactions of ACME Corporation would be a risk factor and an area of focus in the self-testing plan.

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SELF-TESTING QUESTIONS TO CONSIDER

Once risk has been identified, the company should utilize the risk management-based process, which is a method of managing by identifying and controlling those events that have the potential to cause significant problems. The key to risk management is to gather and analyze all relevant data efficiently and effectively, and use this data to make decisions about allocating resources. For Trade Compliance Program partners, risk management will help determine the extent of transactional testing for each area of risk. Below are some questions to consider when documenting the self-testing procedure.

- Who will be responsible for the risk assessment, and how often will a risk assessment be performed, reviewed, and documented?
- What will be the methodology used to select transactions for review?
- Who will conduct the transactional testing (e.g., this should be someone independent of the transaction)? How many entries or line items (expressed as a number or percentage) will be reviewed?
- Is there an audit trail from financial records to CBP declarations (i.e., a test for unreported value)?
- How will the sampled items and results of the review be documented, tracked, and maintained?
- How will errors be addressed (e.g., post-entry amendment, prior disclosure, etc.)?
- Are corrective action procedures in place to address errors?
- Who will the results of the review be provided to within the company, and who is responsible for ensuring corrective actions are taken to address deficiencies?
- How often are the internal control policies and procedures reviewed, and how will the review be documented?
- How are changes to the internal control manual tracked and/or tested, and how are users notified of these changes?

When documenting the self-testing plan, do not use “periodic” as a testing interval. Provide a specific time period, or minimum level, for review (e.g., daily, monthly, quarterly, annually, at a minimum quarterly, etc.). Ensure that the designated person performing the self-testing is independent of the transactions being reviewed.

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SELF-TESTING EXAMPLE SCENARIOS

Example Scenario: Fast Courier's contract with ACME Corporation requires Fast Courier to provide monthly downloads of all transactions that ACME Corporation is billed for, including both transactions where ACME Corporation and Fast Courier were the importer of record. In order to test transactions processed by Fast Courier, ACME Corporation will utilize the data provided to review information including, but not limited to, usage of the correct importer of record number, correct classification of merchandise using the HTSUS number provided by ACME Corporation on the commercial invoice, declaration of the proper "relationship" with the vendor/manufacturer, etc. ACME Corporation's self-testing is based upon "#" percent of judgmentally selected samples per risk area identified during its risk assessment. In addition to the "#" percent judgmental samples for Fast Courier, ACME Corporation decided that it will also look at all entries where Fast Courier classified merchandise under Chapter Heading 9801 to ascertain whether the classification was used correctly. ACME Corporation will note on its self-testing spreadsheet, which is how the company tracks all items selected for review, that for entries involving Chapter Heading 9801, only the classification would be reviewed and not the other data elements.

Per ACME Corporation's self-testing plan, once testing is complete, a report is provided to management outlining the results of the review and corrective actions to be taken, which will be monitored by ACME Corporation's compliance department. With regard to the testing of Fast Courier, ACME Corporation has regularly scheduled meetings with the courier at which time the self-testing results will be discussed along with any needed standard operating procedure enhancements.

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COMBINED RISK ASSESSMENT AND SELF-TESTING SCENARIO

Example Scenario: Brand X Corp claims Generalized System of Preferences (GSP), which provides duty-free tariff treatment to certain products imported from designated developing countries, on a certain percentage of its entries. Brand X Corp has a documented set of GSP post-entry review procedures and the task is assigned to one individual, the entry analyst.

During its risk assessment, Brand X Corp reviewed the roles and responsibilities of individuals within the Customs Compliance Department. In the case of the entry analyst, a review of this individual's responsibilities identifies that he/she is solely responsible for reviewing entries where GSP is claimed. As such, Brand X Corp determined that GSP claims should be considered a risk factor.

The selected GSP entries are documented on the company's self-testing spreadsheet. The GSP entries must now be reviewed to ensure that the transaction qualifies for GSP and supporting documentation is maintained; however, the entry analyst cannot review the entries because he/she reviewed them as part of the post-entry review process. In this scenario, Brand X Corp's self-testing plan will require the customs compliance manager to review the GSP entries, because the customs compliance manager's day-to-day responsibilities do not include entry reviews. The customs compliance manager will document the results of the review on the self-testing spreadsheet.

If the customs compliance manager identified an error when reviewing the GSP entries, Brand X Corp's documented self-testing plan discusses how the transactional sample is expanded, who to report the findings to within Brand X Corp, and how the errors will be relayed to CBP, i.e., disclosure, post summary correction, etc. Brand X Corp's documented self-testing plan also includes a corrective action process to avoid similar errors in the future.

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Appendix F: Annual Notification Letter

Trade Compliance Program

ANNUAL NOTIFICATION LETTER (ANL) REPORTING REQUIREMENTS

The purpose of this document is to provide instructions for the partner to submit the ANL. All approved Trade Compliance partners must follow these instructions.

The purpose of the ANL is to ensure that the partner continues to meet the requirements of the Trade Compliance Program and inform CBP of any business modifications that may have a potential impact on the partner's operations. Examples of such modifications are significant changes to the company's organization, personnel, commodities, brokers, or trade programs. Additionally, CBP requests that the ANL include summaries of the partner's Trade Compliance risk assessment and self-testing, as well as corrective actions taken when deficiencies were identified.

The ANL must be generated through the Trade Compliance Portal through a series of prompts. At the conclusion of the prompts, the importer will be able to generate and preview the ANL, as well as generate and sign the memorandum of understanding with CBP.

The ANL submission process starts with the ANL cover letter, which allows the partner to provide four paragraphs to CBP summarizing the ANL submission. Below are examples of what each paragraph may contain. This list in not all inclusive and provides only examples. The partner should include information that shows the most accurate portrayal of their company for the year.

Paragraph 1 Example: In accordance with the requirements of participation in the Trade Compliance Program, (Company Name) is hereby submitting its annual notification letter. (Company Name) was formally approved for participation in the Trade Compliance Program on (date). (Note: For legacy Importer Self-Assessment partners, the Importer Self-Assessment program date should be used.)

Paragraph 2 Example: During the past year, (Company Name) has complied with CBP laws and regulations, as well as CTPAT and Trade Compliance Program requirements. We have, and continue to maintain, a system of business records that demonstrates the accuracy of CBP transactions as required.

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Paragraph 3 Example: (Company Name) has performed a review of its CBP-related internal control policies and procedures and made appropriate adjustments and/or changes to its internal control system when necessary. (Company Name) has also performed periodic transactional testing based on its risk assessment and corrective action has been taken, where necessary, to ensure that internal control is implemented. Test results will be maintained for 3 years at (location) and are available for review upon request.

Paragraph 4 Example: In compliance with the Trade Compliance Program requirements, (Company Name) has summarized, in the following question responses, the changes to its organization, personnel, and import activity along with the results of its transactional testing and subsequent internal control adjustments/changes. (Company Name) will continue to meet the requirements of the program. If you have any questions, our contact for the program is (Name, Title). You can contact him/her at (telephone number, email address).

After the four paragraphs of the ANL cover letter are complete, the partner must respond to the six ANL prompts and upload any attachments they deem relevant to their responses. The prompts include:

1. Please provide details on organizational changes, including but not limited to, official company name, physical address, leadership team, trade compliance personnel, addition(s) or deletion(s) of importer of record (IOR) number(s), etc. due to merger(s)/acquisition(s)/divestiture(s) or other reasons.
2. Please provide details on changes in commodities imported, CBP trade programs utilized, brokers used, etc.
3. Please provide details on adjustments and/or changes (additions or deletions) made to the documented internal control policies and procedures.
4. Please summarize the areas identified as potential risks as a result of the company's risk assessment along with the tests performed to review the potential areas of risk.
5. Please explain the methodology used for transactional/internal control testing. Summarize the test results, including the number of transactions tested, number of errors (identified by type), cause of error(s), and whether corrective action was taken. Provide a list of the transactions tested and individual testing results on a separate spreadsheet.
6. Please provide details on post summary corrections and/or disclosures submitted, including submission dates, summary of issue(s), monies tendered, and CBP acceptance date. If this element is not applicable for the reporting period, state "Not Applicable".

Attached is an example ANL demonstrating how the required information could be incorporated. This letter will be automatically generated with the responses to the above paragraphs and prompts. If there are any questions regarding the ANL requirements, please contact the assigned National Account Manager or email your questions to the Trade Compliance Program at CTPATTRADECOMPLIANCE@CBP.DHS.GOV.

Sample ANL

(Partner's Address 1)
(Partner's Address 2)

(DATE)

U.S. Customs and Border Protection
Office of Field Operations
Branch Chief, Partnerships & Engagement Branch
1300 Pennsylvania Avenue NW
Washington, DC 20229

Dear Mr./Ms._:

In accordance with the requirements of participation in the Trade Compliance Program, (Company Name) is hereby submitting its annual notification letter. (Company Name) was formally approved for participation in the Trade Compliance Program (or Importer Self-Assessment program) on (date).

During the past year, (Company Name) has complied with CBP laws and regulations, as well as CTPAT and Trade Compliance Program requirements. We have, and continue to maintain, a system of business records that demonstrates the accuracy of CBP transactions as required.

(Company Name) has performed a review of its CBP-related internal control policies and procedures and made appropriate adjustments and/or changes to its internal control system when necessary. (Company Name) has also performed periodic transactional testing based on its risk assessment and corrective action has been taken, where necessary, to ensure that internal control is implemented. Test results will be maintained for 3 years at (location) and are available for review upon request.

In compliance with the Trade Compliance Program requirements, (Company Name) has summarized, in the following question responses, the changes to its organization, personnel, and import activity along with the results of its transactional testing and subsequent internal control adjustments/changes. (Company Name) will continue to meet the requirements of the program. If you have any questions, our contact for the program is (Name, Title). You can contact him/her at (telephone number, email address).

Organizational and/or Personnel Changes

(Note: Summarize organizational changes, including but not limited to, official company name, physical address, leadership team, trade compliance personnel, addition(s) or deletion(s) of importer of record (IOR) number(s), etc. due to merger(s)/acquisition(s)/divestiture(s) or other reasons. Please include specific text here and do not just state "see attached". You may provide attachments as necessary, but the attachments must be summarized here.)

Import Activity Changes

(Note: Report any changes in commodities imported, CBP trade programs utilized, brokers used, etc. Please include specific text here and do not just state "see attached". You may provide attachments as necessary, but the attachments must be summarized here.)

Internal Control Adjustments and Changes

(Note: Summarize adjustments and/or changes (additions or deletions) to the documented internal control policies and procedures. Please include specific text here and do not just state "see attached". You may provide attachments as necessary, but the attachments must be summarized here.)

Risk Assessment Results

(Note: Summarize the areas identified as potential risks as a result of the company's risk assessment along with the tests performed to review the potential areas of risk. Please include specific text here and do not just state "see attached". You may provide attachments as necessary, but the attachments must be summarized here.)

Periodic Testing Results

(Note: Explain the methodology used for transactional/internal control testing. Summarize the test results, including the number of transactions tested, number of errors (identified by type), cause of error(s), and whether corrective action was taken. Provide a list of the transactions tested and individual testing results on a separate spreadsheet. Please include specific text here and do not just state "see attached". You may provide attachments as necessary, but the attachments must be summarized here.)

Post Summary Corrections and/or Disclosures

(Note: Include submission dates, summary of issue(s), monies tendered, and CBP acceptance date. If this element is not applicable for the reporting period, state "Not Applicable". Please include specific text here and do not just state "see attached". You may provide attachments as necessary, but the attachments must be summarized here.)

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Sincerely,

(Note: Signature-should be the same officer who signed the Trade Compliance Memorandum of Understanding or company officer equivalent.)

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U.S. Customs and Border Protection
Office of Field Operations
Customs Trade Partnership Against Terrorism Program
1300 Pennsylvania Avenue NW
Washington, DC 20229

Visit the CTPAT website at
www.cbp.gov/ctpat

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