

TradeMatters

A Newsletter on Customs & International Trade

No. 11 Sept 2004

ABCs of ACI (Advanced Commercial Information) for Importers

What is ACI? According to Canada Customs it is: 'about getting the right information at the right time to make informed decisions about whether to examine shipments at the first point of arrival (or at the foreign port in some cases) in order to protect Canadian society from health, safety, security, terrorist and contraband threats.'

There are two main overriding aspects of this program. The information must be provided electronically and it must be provided **prior to arrival**. As you will see Phase 1 has already been implemented.

When Canada Customs talks about ACI, they refer to 2 separate and distinct data sets

- **(CARRIER/CARGO DATA)** - as the name implies this generally refers to the information that a carrier has concerning a shipment. Although third parties (ie: customs brokers or freight forwarders) can and do provide this to CBSA (Canada Border Services Agency).
- **(COMMERCIAL DATA)** - this generally refers to detailed commercial information concerning the product, value and related information about the shipment. This information is generally owned by the vendor/supplier and the importer/purchaser but is usually provided to Customs by a Customs Broker.

Implementation dates

- Marine (**carrier/cargo data** only) date, April 19th, 2004 (Phase 1)
- Air and Rail (**carrier/cargo data** only) date, May 2005 (Phase 2)
- Truck cargo and all **commercial data**, September 2005 (Phase 3)

We feel that phase 3 is the most ambitious and will have the most impact. Even though we provide the majority of transactions to Customs electronically, the remaining paper entries are the most challenging. There are still

government departments that are not electronically connected to the Customs transactions. This is the most likely cause of a potential delay in implementation. Examples of commodities that still need to be brought on-line are: Automobiles (Transport Canada) and Meat and Meat products (Canadian Food Inspection Agency).

Advanced Time Frames (the latest time at which information can be submitted to Customs) - **(CARRIER/CARGO DATA)**

- Marine Cargo (containerized other than US origin port) - 24 hours prior to loading in foreign port
- Marine Cargo (other) - various other time frames
- Air - 4 hours prior to arrival or at 'wheels up' if voyage is less than 4 hours
- Rail - 2 hours prior to arrival at first border point
- Truck - 1 hour prior to arrival at first border point

Advanced Time Frames - (COMMERCIAL DATA)

- Marine Cargo - 24 hours prior to arrival or departure if the voyage is less than 24 hours
- Air - 4 hours prior to arrival or at 'wheels up' if voyage is less than 4 hours
- Rail - 2 hours prior to arrival at first border point
- Truck - 1 hour prior to arrival at first border point

Essentially this is going to mean that everyone in the trade chain (ie: Exporters, carriers, freight forwarders, Customs brokers, and Importers) will have to provide better information, earlier and in an electronic format. This will be challenging but at Courtney Agencies Ltd., we feel we are well positioned to do this and have implemented this in many aspects for our import, export and carrier clients.

ABCs of ACI for Exporter's to the USA

Full Implementation for US Customs (CBP) version of ACI is much earlier. Effective **October 1st, 2004**, CBP (Customs Border Protection) will require the **Full 10 digit**

HTS classification number on all goods regardless of invoice line value prior to release of the shipment. Again this will require concise, clear and accurate data earlier in the process. This means that we at Courtney Agencies Ltd., will be requiring more detailed information earlier from our Export clientele as well as closer coordination with carriers and our US partners.

Starting **November 15, 2004**, CBP will begin requiring **advance electronic cargo information** for shipments imported into the US by truck carriers. Truck carriers will be required to provide information regarding the shipment in an electronic format not less than 1 hour before the shipment arrives (30 minutes for shipments eligible for FAST lane processing).

For more information on this please go to: http://www.cbp.gov/xp/cgov/import/communications_to_industry/advance_info/

Importing Textiles and Garments - Last phase of quota elimination

Under the World Trade Organization (WTO) Agreement on Textiles and Clothing, quantitative restraints on imports of textiles and apparel established under bilateral restraint arrangements with certain WTO members are to be eliminated by **January 1, 2005**. Essentially this means generally, that all textiles and clothing from all countries will not have quota restrictions and will not require an export license effective January 1st, 2005 (based on date of shipping). However, generally, textiles and clothing will continue to require import permits.

Whats happening @ Courtney

- In 2005, Courtney Agencies Ltd., will be celebrating our **50th** anniversary. More on this as things develop.

- In our effort to stay connected and informed, at Courtney Agencies Ltd., we are members of the following organizations:

www.cscb.ca

www.tourismvancouver.com

www.boardoftrade.com

www.vancouvertransportationclub.com

Our email list

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After Hours contact

Our regular office hours are: Monday to Friday 7:30 am to 5:00 pm. Outside these hours, please call the following numbers:

Customs Brokerage: (604) 787-0619

Ship's Agency: (604) 787-0620

Freight Forwarding: (604) 787-0369

If any of these are unavailable, please contact the other numbers. If it is not urgent and we can contact you during regular business hours, please leave a message at (604) 684-7505.

While we have made every effort to ensure accuracy, the materials contained in "Trade Matters" are necessarily brief and general in nature and should not be construed as legal opinion or advice. For further information, please contact our trade specialists. We publish trade Matters on an occasional basis as a service to our customers. Editor and writer: Paul Courtney; Contributors: Don Courtney, Gordon King, Bernie Lahmann, Serrena Chan, Sanja Tang.

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Customs Brokers / Freight Forwarders / Ship's Agents / Consultants