Framework

Achievement

CTPAT Trade Compliance

Star USA

Star USA, Inc.

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- ✔ HTS, Origin, Value, FTA, CTPAT, ECCN, ITAR, Sections 232 & 301, AD/CVD, Forced Labor and more
- ✔ Broker/Forwarder management & oversight
- ✔ Training in all areas of trade & compliance

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25 TH Anniversary
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Framework

Origins, driving forces, & structure of CTPAT Trade Compliance

Uncrossing some wires

Key Concepts

- **The SAFE Framework & Authorized Economic Operator (AEO)**

- **Importer Self Assessment (ISA)**

- **CTPAT *Trade Compliance* vs. CTPAT *Supply Chain Security***
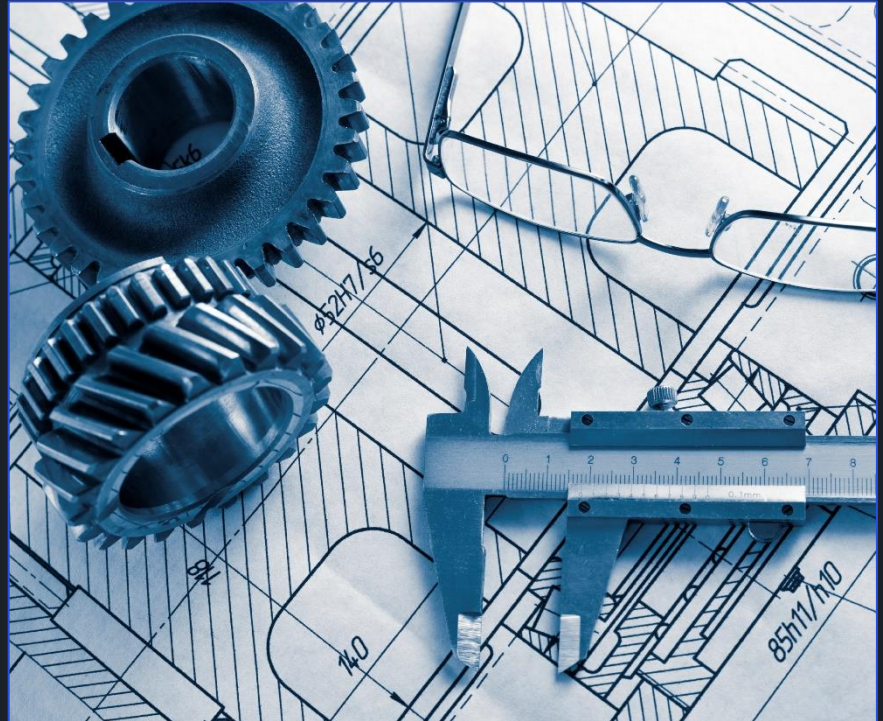
Principles & Objectives

- ✓ Establish security and facilitation standards at a global level.
- ✓ Enable integrated supply chain management for all modes.
- ✓ Enhance Customs capabilities for the 21st century.
- ✓ Strengthen cooperation between Customs administrations via MRA and AEO networks.
- ✓ Promote seamless movement of goods through secure supply chains.
- ✓ Strengthen cooperation between Customs and:
  - ❖ other Customs administrations
  - ❖ Businesses, via MRA and AEO
  - ❖ Other Government Agencies

WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

5 Core Elements

1. Harmonize advance cargo information.
2. Employ consistent risk management.
3. Outbound inspections of high-risk cargo.
4. Customs-driven benefits to member businesses.
5. Promote cooperation with federal agencies across regulatory areas.

Customs-to-Customs | Customs-to-Business | Customs-to-OGAs

Evolution of the Importer Self Assessment (ISA) Program

ISA Program → **Trusted Trader Pilot** → **CTPAT Trade Compliance**

2002

Importers assess their own compliance with CBP laws and regulations.

2016

Pilot program to integrate ISA alongside CTPAT Security to achieve a full-fledged AEO status.

2022

Initial launch in 2020 and ending the TT Pilot in 2022, CTPAT now includes Security and Trade Compliance as a full AEO program.

CTPAT Trade Compliance

- Importers & CA NRIs only

- Comprehensive Internal Controls & Audit Trail

- Compliance, not Security

Benefits include:

- CBP National Account Manager

- Disclosure's Benefit

- Expedited Customs Rulings

- Removal from Focused Assessment pool

- New Forced Labor considerations

CTPAT Security

- Open to Importers, Exporters, Foreign Manufacturers, Transportation, and Service companies

- Minimum Security Criteria (MSC)

- Security & Risk, not compliance

Benefits include:

- Assigned CTPAT Supply Chain Security Specialist

- Reduced number of border examinations, shorter border wait times, and FAST Lane

- Pre-requisite for other US Gov't pilot programs, incl. ISA / now CTPAT Trade Compliance

- Priority consideration following disruptive event

Related trainings on these topics

Internal Compliance Programs

from: October 7, 2022

Maintaining effective Internal Compliance Programs (ICPs)

Learn More

CTPAT Supply Chain Security

from: July 8, 2022

New MSC, Remote Validations, and resources for members

Learn More

Strategies to achieve CTPAT Trade Compliance

Achievement

February 2023
Version 3

CTPAT™
YOUR SUPPLY CHAIN'S STRONGEST LINK.

TRADE COMPLIANCE HANDBOOK

Re-thinking your approach to Trade Compliance

Joining CTPAT Trade Compliance follows some version of this pattern:

1. Resource recognition and alignment
2. Solving trade compliance internally
3. Meeting eligibility requirements and applying for the program
4. Customs Review & Acceptance

[CTPAT Trade Compliance Handbook](#)

Focus on
Trade Compliance

- Re-examine your approach to CTPAT within your organization, wholistically

- Recognize how the approach to solving for Security is different from solving for Trade Compliance.

- Re-initiate CTPAT as an umbrella program and align internal resources separately across Security and Trade Compliance programs.

CTPAT Trade Compliance

- Import Compliance & Control Program

Organizational Areas affected:

- Regulatory Trade Compliance
  & related teams / processes

CTPAT Security

- Corporate Security
  - Security Vision & Responsibility, Risk Assessment, Business Partners, Cybersecurity
- Transportation Security
  - Conveyance and IIT, Seals, Procedures, Agriculture
- People & Physical Security
  - Physical Security, Access Controls, Personnel, Education & Training

Organizational Areas affected:

- Supply Chain & Logistics
- Procurement
- Information Technology
- Shipping & Receiving
- Site Security
- Risk Management
- Human Resources

Awareness

Comprehensive understanding of all ongoing import activity, related regulatory controls and programs, and strategy in place for navigating the macro and micro aspects of import transactions.

Execution

Strategy and program fully implemented, includes active monitoring of all import activities, evaluation of risk environment, and systemic control of import practices.

Controls

Program in place for periodic testing, correction, and improvement of import practices, including Disclosures.

Must be able to demonstrate controls, corrective actions and results.

Demonstrate internal controls in these areas:

- Value Declaration
- Classification
- Country of Origin
- Free Trade Agreements
- Record Keeping
- Duty Payment
- AD/CVD
- Forced Labor
- Drawback
- Foreign Trade Zones
- Chapter 98
- Partner Gov't Agencies
- Intellectual Property
- Bonds
- Compliance Training
- and more...

Application Requirements

⌐ Be a Tier 2 or Tier 3 CTPAT Security Importer in good standing

⌐ Be current on all payments to CBP

⌐ Complete the Eligibility Questions in the affirmative (Appendix A)

⌐ Complete the Application Questionnaire (Appendix B)

⌐ Complete the Memorandum of Understanding (Appendix C)

⌐ Submit application via the CTPAT Web Portal

Eligibility Questions

■ Authority to do business without approval of another person outside the U.S. or Canada?

■ Active Importer

■ Separate financial records from any other company, direct payment of duties & fees

■ Continuous Import Bond

■ Internal Control System is already in place

■ Perform annual risk assessments and appropriate adjustments

■ Audit trail of financial records for imports

■ Appropriate history of prior disclosure, reconciliation, PSC, and other CBP interaction

■ Agreement to notify CBP of all organizational changes

Trust,
but Verify

Following your application submission, CTPAT teams will review and schedule an Application Review Meeting (ARM) where they will verify the information you provided in the application.

Once approved, CTPAT will establish partnership by counter-signing the Memorandum of Understanding (MOU).

After you have been approved, you will start receiving the benefits of CTPAT Trade Compliance.

Resources

[CBP: CTPAT Trade Compliance Handbook](#)

[CBP: CTPAT Supply Chain Security](#)

[WCO: SAFE Framework](#)

Additional learning opportunities from Star USA

[CTPAT Supply Chain Security](#) *from Jul-22*

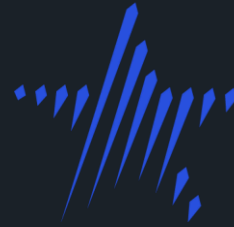[Internal Compliance Programs](#) *from Oct-22*

[Forced Labor](#) *from Dec-22*

Thank you

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Learn More at:
starusa.org
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will be emailed to all registrants
& posted on the website above soon™!