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US Customs and Border Protection Formally Opens ISA Eligibility to Importers Who Have Undergone Focused Assessments

One of the significant developments in US Customs and Border Protection's (CBP's) efforts to partner with the trade community is its development of a voluntary program, known as the Importer Self-Assessment (ISA) program, which allows importers who demonstrate strong internal controls over import activities and who regularly test their customs compliance to avoid being subjected to comprehensive customs audits, or Focused Assessments. Focused Assessments can be lengthy, expensive and highly disruptive to a company's business operations. Fortunately, according to a Federal Register Notice published on October 5, 2012, importers who have recently undergone a Focused Assessment can take advantage of the ISA program while bypassing some of its application requirements.

Importers who participate in the ISA program receive a variety of valuable benefits, including removal of the company from CBP's audit pool, i.e., no more Focused Assessments; "front of the line" treatment for cargo release and consultation on internal advice requests; assignment of a national case manager to answer or direct issues, concerns or questions; and advance warnings of possible reasonable care violations, to allow the company to investigate and, potentially, file a prior disclosure. CBP is also making ISA membership a prerequisite for involvement in the new Centers of Excellence and Expertise covering select industries. Despite these benefits, membership by importers in the ISA program has not been as strong as CBP has hoped.

For all the benefits offered by ISA membership, the barriers to entry are stiff. Applicants must have two years of importing experience, be a US or Canadian resident importer, and be a member of the Customs-Trade Partnership Against Terrorism. The application process has also traditionally involved numerous meetings with CBP officials and government reviews of internal controls and processes, which has deterred many potential importers from joining. With this expansion, importers who have undergone a Focused Assessment in the past year and who are otherwise eligible for ISA membership can join without additional ISA validations.

Any importers who have undergone a Focused Assessment within 12 months of the date they received a Focused Assessment audit report and who wish to join the ISA program must send an application to CBP Headquarters. The application must include both an ISA Memorandum of Understanding and a written, risk-based self-testing plan for the company to follow going forward. The plan should state the risk assessment methodology the company will use; the testing methodology; the frequency of self-testing and the number of sample items to be tested; and the name and contact information for the individual responsible for reviewing the self-testing results. Finally, the importer must also agree to comply with all of the ISA program requirements stated in its handbook, available on [CBP's website](#).

If you are interested in learning more about the benefits ISA membership could offer, or if you are considering an application to CBP to join the ISA program, feel free to speak with one of the Katten Muchin Rosenman LLP professionals listed below.

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