



## Ultimate Consignee Amendment

### Frequently asked questions about the CBP Amendment to the Ultimate Consignee reporting requirement.

#### Who is the Ultimate Consignee?

The Ultimate Consignee is generally the buyer or the ship-to party in the U.S. Depending on the circumstances of the transaction, the U.S Customs and Border Protection (CBP) definition of the Ultimate Consignee for release purposes is "the party in the U.S. who the overseas shipper sold the imported goods to or, if not sold, consigned the goods to or, if the goods were neither sold or consigned, the proprietor of the U.S. premises to which the merchandise is to be delivered."

It is important to note that "Ultimate Consignee" does not, by definition, mean the same thing as "Consignee."

#### What is an Ultimate Consignee Number?

The Ultimate Consignee Number for a U.S. party is a U.S. Internal Revenue Service (IRS) employer identification number, or a Social Security Number (SSN), depending on whether the consignee is a company or an individual. IRS employer identification numbers are issued to companies (format: 00-000000000) and Social Security Numbers are issued to individuals (format: 000-00-0000).

In limited instances where the imported merchandise is consigned to an Ultimate Consignee outside the U.S., the consignee must be identified with a CBP-issued Ultimate Consignee identification number (format: 000000-00000).

#### What is the new CBP policy for reporting the Ultimate Consignee?

The current practice of providing CBP with the consignee's name and address will no longer satisfy the Ultimate Consignee reporting requirement. For most shipments, CBP will now require the Ultimate Consignee name and address as well as the identification number to properly identify the Ultimate Consignee.

If you are presently recording the buyer's IRS number, or other appropriate number as mentioned above, on your invoice along with full address, this policy change will not affect you.

#### When do the new CBP Ultimate Consignee reporting requirements take effect?

The requirements are effective for all shipments entered on or after Friday, October 1st, 2004.

#### Will the new requirements be strictly enforced by CBP on October 1st?

The CBP had indicated they will enforce this new requirement fully on October 1st. If the Ultimate Consignee number is not available when the shipment arrives at the U.S. border on or after this date, the truck will be turned back to Canada.

#### Are there any exceptions to the CBP Ultimate Consignee reporting requirements?

Yes. The following types of shipments are currently exempt from the requirements:

1. Border Release Advanced Screening and Selectivity (BRASS) shipments – BRASS shipments are exempt as BRASS program rules do not require the reporting of Ultimate Consignee information.
2. Informal Entries – CBP will continue accepting the name and address of the Ultimate Consignee for certain low value shipments known as "Informal Entries." (An Informal Entry is a shipment valued less than \$2,000 USD.)
3. Low value portions of consolidated shipments – Shippers and importers that have multiple shipments with various Ultimate Consignees on a single conveyance use consolidated procedures. The individual portion of these consolidated shipments that are valued less than \$2,000 USD are typically exempt from the new Ultimate Consignee reporting requirement. **Note:** The Ultimate Consignee identification number must be provided for the Ultimate Consignee for each portion of a consolidated entry that equals or exceeds \$2,000 USD in value.

4. Free and Secure Trade (FAST) / NCAP shipments – FAST / NCAP shipments currently require the transmission of the consignee's ACE identification number which identifies the consignee.
5. In-transit IT bond shipments – When a shipment arriving at the northern border is sent in bond for clearance at another inland port, it is not required to report the consignee to CBP at the initial U.S. port of arrival. Note: When entry into the U.S. is filed at the inland port, the new CBP Ultimate Consignee requirements must be satisfied.
6. Transportation and Exportation (T&E) shipments – Shipments that enter the U.S. under bond to be exported to a country outside of the U.S. are not required to report the Ultimate Consignee.
7. Section 321's – If CBP releases a shipment as a section 321 (most shipments valued at \$200 USD or less) there is no Ultimate Consignee reporting requirement.

### **How can I obtain a U.S. parties Ultimate Consignee Number?**

Typically the purchasing, tax department, or an officer of the company can provide the company IRS number.

### **Who is responsible for supplying the Ultimate Consignee information?**

The Canadian exporter or the U.S. importer is responsible for providing the required Ultimate Consignee information.

### **Where should the Ultimate Consignee number appear?**

To avoid unnecessary delays, Livingston strongly recommends that the Ultimate Consignee number be shown on the shipping invoice for all shipments, regardless of the value.

### **What if the Ultimate Consignee Number is not on the shipping documents?**

CBP can deny the shipment entry into the U.S. until the required information is obtained. Livingston will assist clients in obtaining the correct consignee number in order to keep the freight moving.

### **Can Livingston assist if the Ultimate Consignee will not provide their IRS or SSN number?**

We recommend that our clients provide their customers with the CBP's directive, which details their policy change. Again, Livingston will assist clients in obtaining the consignee IRS or SSN number.

### **Is there a fee for Livingston to obtain the Ultimate Consignee number?**

Yes. If Livingston is required to contact a company or an individual to obtain an Ultimate Consignee number in order to get the shipment released by CBP, our client will be billed a \$22.50 fee for "Obtaining IRS number."