ENTRY DELETION AND ENTRY SUMMARY CANCELLATION

1 PURPOSE. To provide uniform national procedures for entry deletion and entry summary cancellation that will ensure financial responsibility, integrity of the Automated Commercial System (ACS) data, and provide for self inspection controls.

2 POLICY.

2.1 It is the responsibility of the filer to request deletion or cancellation of entries or entry summaries. This request is to be submitted to Customs as soon as the filer becomes aware of the need for the deletion or cancellation. Filers should not wait until Customs issues liquidated damages or provides notification of outstanding entry summaries to file their requests for deletion or cancellation. Filers will be monitored for patterns of excessive or unnecessary requests through informed compliance under the Customs Modernization Act.

2.2 The duties of approval of deletion or cancellation requests, processing the requests, and report review/verification need to be separated so that no one person is able to perform all of these functions. If staffing does not allow for this separation of duties, Port Directors must ensure that those Customs officers responsible for verifying the Cargo Selectivity Weekly Selectivity Delete Report (S21) or the ACS List of Rejected/Cancelled Entries Report (B06) do not verify their own deletions or cancellations.

3 AUTHORITIES/REFERENCES. 19 CFR 111, 142.13, 142.15, 142.18, 142.27, 158.41, 158.42, 158.45, 172.22; SSXM-SSWM-ISDA Instructional Guidelines for Entering Discrepant Findings, dated December 1997; HB 5600-007 (ACS Reports Handbook).

4 RESPONSIBILITIES.

4.1 Directors, Field Operations, are responsible for ensuring that the provisions of this Directive are carried out effectively and uniformly throughout their areas of responsibility.
4.2 Port Directors are responsible for ensuring that the provisions of this Directive are followed and uniformly applied. They are also responsible for the dissemination of the contents of this Directive to personnel within their jurisdiction.

5 PROCEDURES.

5.1 The request for deletion or cancellation must be submitted on company letterhead, and state the reason for the request. The request is to be submitted to the Customs office where the merchandise was entered, released, or scheduled to be entered/released. The only person authorized to sign the request letter is the importer of record or an agent authorized to act on the importer's behalf (i.e., licensed Customs broker with valid power of attorney). Requests for deletion or cancellation will be considered if received by Customs in a timely manner (i.e., prior to the 10th working day after release of the merchandise; upon receipt of proof of exportation or destruction resulting from a refusal issued by another government agency, etc.). Field offices with questions concerning the appropriate action to take (i.e., approval or denial of requests for deletion or cancellation) should address their concerns to the Office of Field Operations, Trade Programs, Commercial Processing Division. Requests for deletion or cancellation that fall outside of the scope of the guidelines provided in this Directive will be evaluated on a case-by-case basis.

5.2 CORRECTIONS IN LIEU OF DELETION

5.2.1 Filers should be aware of the bill of lading transaction (application LN in ABI) that is designed to allow them to correct bill of lading or air waybill information without the necessity of Customs deleting the cargo release transaction. The data elements that can be changed are listed in section 5.2.4 below, along with the specific restrictions involved.

5.2.2 The bill of lading transaction (LN) can be used for ABI-filed shipments that were designated as either “paperless” or “entry documents required.” It cannot be used for non-ABI entries. If the shipment has already been released or there is a “paperless” release, the bill of lading update is the most expeditious method of correcting the CF 3461.

5.2.3 The corrections that can be made are only allowed up to 15 days after the first date applicable below:

- The Release Date
- The Actual Date of Arrival
- The Estimated Date of Arrival Reported with the Original Cargo Release Transaction.
5.2.4 Corrections for AMS Shipments Only

5.2.4.1 The update function (LN) can be used for both direct arrival and paperless master in bond (having a V# for the I.T. number) shipments. The following is a list of data elements for which corrections can be made:

- Carrier Codes - as long as the replacement code is for an AMS carrier.
- Bills-of Lading - master, house and sub-house bills can be changed.
- Quantities and Units
- Voyage or Flight Number
- Firms Code - filers cannot change from AMS firms code to non-AMS firms.
- Estimated Date of Arrival - no date changes can be made if the AMS module has posted actual date of arrival to the entry.

5.2.4.2 The following restrictions also apply to corrections to the estimated date of arrival field:

- The carrier code or firms code and the port of unlading (DDPP) must be linked in AMS.
- The new date cannot be greater than 60 days in the future or 30 days in the past.
- For air shipments, the new date cannot exceed the date of provisional selectivity processing.
- For vessel shipments, the new date cannot exceed the date of selectivity processing by more than 5 days.
- The new date cannot exceed a release date that was established by Customs closing out an "intensive" examination.

5.2.5 Corrections for Non-AMS Shipments Only

5.2.5.1 Please note that the update function (LN) can be used only for direct arrival non-AMS shipments. If the shipment shows either a 9-digit in-bond number or an air waybill number used as the in-bond number, LN cannot be used. The following is a list of fields for which corrections can be made:

- Carrier Code
- Bills of Lading - master, house or sub-house bills can be changed.
- Quantity and Units
- Voyage or Flight Numbers
- Firms Code
5.3 DELETION/CANCELLATION PAPERWORK. The original CF 3461 or CF 3461 ALT, BRASS documentation, and any additional supporting documentation that clarifies the final disposition of the merchandise must accompany the letter from the filer. This additional documentation is to include, but is not limited to, a copy of the CF 7501, CF 3461 or 3461 ALT actually used to enter and release the merchandise, a copy of the in-bound exportation documentation verified by Customs, CF 3499, documentation certifying refusal by an other government agency, a copy of the seizure letter issued by Customs, or a certification by the carrier that the merchandise was lost, short-shipped or misdelivered. Supporting documentation is required for both paper-required and paperless releases.

5.4 CUSTOMS PROCESSING. Port Directors will designate the individuals responsible for verifying the accuracy of the information provided by the filer, and determining whether a deletion or cancellation is supported by the regulations. Deletion or cancellation of an entry relieves the importer of all liability for payment of duties, taxes and fees as well as submission of an entry summary. Extreme caution should be used when making this determination to ensure financial responsibility, compliance with the regulations and to identify fraudulent requests.

5.4.2 DELETIONS

5.4.2.1 When a determination is made that an entry should be deleted, the deletion will be accomplished via ACS function code SSAD. It is important to remember that when an entry is deleted using the SSAD function, it will result in the total deletion of the selectivity history in ACS. When an entry summary is cancelled using the ENCN function, the selectivity history of the entry will remain in ACS.

5.4.2.2 Situations in which the entry record can be deleted include non-arrival of merchandise and duplicate entries submitted for the same merchandise. Before a deletion is processed, the SSER screen must be viewed, and if it indicates "Stratified Compliance Exam," the entry cannot be deleted. Local Stratified Compliance Coordinators should be contacted to determine if a cancellation is appropriate, and if so, the coordinator must unse: the stratified hit prior to cancellation. The entry delete function purges the stratified record from ACS and should not be utilized in this situation.

5.4.2.3 Whenever a filer states that an entry is a duplicate, Customs will query both entries using ACS function codes ENAI, SSER, SSAS, and SSAI to ensure that the importer numbers, estimated duty amounts, dates of arrival, value, manufacturer identification numbers (MID), bills of lading and quantities match. The replacement entry summary must be in summary accepted status and fully paid. Additional research must be conducted to ensure that only one manifest is on file and that only one shipment was actually entered.
5.4.2.4 Entries with examination discrepancies or document review discrepancies that have been recorded in ACS via function codes SSXM or SSWM must not be deleted since the delete function will purge the discrepant findings from ACS. If a deletion or cancellation request is received for an entry that has existing SSXM or SSWM discrepant findings, the request must be forwarded to the Customs officer who handles cancellations. If the request is valid, the entry can be cancelled via ACS function code ENCN. The Entry Unit may need to key in the entry summary data using ACS function code ENAX prior to cancellation of the entry summary.

5.4.2.5 If staffing allows, the duties of approval of deletion or cancellation requests, processing the requests, and report review/verification need to be separated so that no one person is able to perform all of these functions.

5.4.2.6 Filers should be reminded that they are not to delete the entry data in their system until they receive confirmation from Customs verifying that the deletion or cancellation was approved and processed.

5.4.2.7 The original request letter, along with all backup paperwork, must be retained on-site for audit purposes and for verification of the S21 report. As stated earlier, the S21 report will be verified by someone other than the individual(s) who deleted the records in order to determine whether the circumstances of the entry deletions were appropriate and performed by an authorized user. The verifier must initial and date the S21 report upon completion of the verification process. The S21 report should also be used to monitor the performance of filers.

5.4.3 CANCELLATIONS

5.4.3.1 When a determination is made that a request for cancellation is valid, the entry summary will be cancelled using ACS function code ENCN. This will allow Customs to maintain a historical record of the transaction in ACS. Valid reasons for entry summary cancellation include, but are not limited to the following:

5.4.3.1.1 Merchandise denied admission into the United States by any Government agency after its release from Customs custody that is subsequently destroyed under government supervision or exported under Customs supervision. (19 CFR 142.18, 158.41).

5.4.3.1.2 Non-arrivals or duplicate entries where the SSER screen shows "Stratified Compliance Exam". As stated earlier, when an entry involves a "Stratified Compliance Exam," local Stratified Compliance Coordinators should be contacted to determine if a cancellation should be performed. If the cancellation is necessary, but analysis indicates that the filer is attempting to avoid a Compliance Measurement exam, steps
are to be taken to establish national 100 percent criteria against the entities involved.

5.4.3.1.3 Entries involving seized merchandise should be cancelled, not deleted, in order to maintain a historical record in ACS. If the BREL function was utilized to effect release of merchandise that is subsequently seized, the Entry Division may need to key in the entry summary data using ACS function code ENAX prior to cancellation of the entry summary.

5.4.3.1.4 Entry Substitutions (also known as Alt Substitutions or Turnovers) are also valid reasons for entry summary cancellation. Further explanation of this process is described in Section 5.4.3.6 below.

5.4.3.2 The designated individual(s) will review the paperwork and determine if a cancellation is appropriate.

5.4.3.3 Once an entry summary has been cancelled using function ENCN, the original request letter, along with all backup paperwork, will be retained for audit purposes. The NOTE function in ACS may be used to annotate the reason for the cancellation in the permanent entry summary record. The filer will be notified that the cancellation was approved.

5.4.3.4 The B06 report will be verified on a weekly basis by someone other than the individual(s) who had cancelled the records to determine if the circumstances of the cancellations were appropriate and performed by an authorized user. The report should also be used to monitor the performance of filers.

5.4.3.5 If a valid request is received to cancel an entry summary, but the filer has already transmitted payment of duties, taxes and fees, the entry summary cannot be cancelled without first using the adjustment function to transfer the money to the Budget Clearing Account (BCA). This function is normally performed by the Entry Officer or an Entry Specialist. When this is accomplished, the entry summary can be cancelled, via function ENCN. Do not issue an administrative refund for cancelled entry summaries. Forward a written request with all supporting documentation to the Accounting Services Division (ASD), Accounts Receivable Branch, Billings Team to request that the ASD refund the money that was posted to the BCA. Fully document all actions taken in the cancellation file.

5.4.3.6 Entry Substitutions (also known as Alt Substitutions or Turnovers)

5.4.3.6.1 This procedure occurs only in Immediate Delivery environments, and generally at border ports. If a shipment is released via Immediate Delivery, and it is later discovered that another filer should have handled the shipment, an entry substitution may occur.
5.4.3.6.2 The new filer must file an entry/entry summary using a non-obligated entry number. The attached worksheet (see Appendix 1) is to be included, and must identify the reason for the substitution request. The concurrence of both filers must be included on the worksheet. The original CF 3461 or CF 3461 ALT is required, along with the release package and a new unobligated CF 3461 or CF 3461 ALT.

5.4.3.6.3 The original entry will be cancelled via ENCN. The NOTE function in ACS will be added to reference the new entry number. The substituted entry will then be released via BREL, using the release date established on the original entry.

5.4.3.6.4 This procedure should be used for isolated incidents, not as a regular course of operation. These substitutions will be monitored for patterns and possible broker compliance issues.

5.4.3.6.5 Entry summaries filed beyond the normal 10-day filing period are subject to liquidated damages for late filing of the entry summary. The liquidated damages are to be assessed against the bond obligated on the original entry and the original entry number. Although the summary was filed late under the new entry number, the original bond is liable for timely filing of summary documents. Bond liability is not transferred until the entry summary is accepted.

5.4.3.7 No File Liquidated Damages Cases

5.4.3.7.1 There are two options for payment of a liquidated damages case for failure to file an entry summary (also known as a no-file liquidated damages case). The violator can file the entry summary with all duties, taxes and fees due and Customs will convert the no file case to a late file case, or the violator can choose to pay the full value of the shipment (assessed amount) without filing the entry summary. Although the violator rarely chooses to pay the assessed amount in full without submission of the entry summary, the possibility exists.

5.4.3.7.2 If the violator pays the assessed amount without filing the entry summary, the summary will be cancelled using the ENCN function. A NOTE must be added to the summary record indicating the assessed amount for liquidated damages was paid in full.

5.4.3.8 STATISTICAL CANCELLATIONS

5.4.3.8.1 NON-ABI ENTRY SUMMARIES. If the statistical copy has already been mailed, a copy of the CF 7501 with "cancelled" and the date written across it in the upper center portion will be mailed to Census.

5.4.3.8.2 ABI ENTRY SUMMARIES. Statistical information for ABI entry summaries is extracted from ACS. If extraction has not occurred, a cancellation statistical copy is not
required. This can be determined by using function code ENAM. If the information has been extracted, then a cancelled copy of the CF 7501, clearly indicating it is for an ABI entry, will be submitted to Census.

6 MEASUREMENT.

6.1 S21, Cargo Selectivity Weekly Selectivity Delete Report. Directors, Field Operations, shall ensure that this report is requested weekly and the appropriate supporting documentation is retained on-site for a period of 2 years. The report will be verified for accuracy, and appropriate separation of duties are to be maintained.

6.2 B06, ACS List of Rejected/Cancelled Entry Report. Directors, Field Operations, shall ensure that this report is requested weekly and the appropriate supporting documentation is retained on-site for a period of 2 years. The report will be verified for accuracy, and appropriate separation of duties are to be maintained.

Assistant Commissioner
Office of Field Operations

Attachment
APPENDIX 1

BROKER TURNOVERS
(ENTRY SUBSTITUTION OR ALT SUBSTITUTION)

Submit original and two (2) copies of cover sheet along with one copy of supporting documentation.

Liability should be transferred to another designated broker. Please transfer the liability as follows:

<table>
<thead>
<tr>
<th>ACTION</th>
<th>CF 3461-ALT #</th>
<th>ISSUED BY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Void</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assign</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RECEIVING BROKER

If the entry is being made in the name of the importer of record, I assume all liability for presentation of the assigned entry summary and payment of duties, taxes and fees that are due, and I certify that I have a valid Power of Attorney on file to act as an agent for the importer of record for this shipment.

Signature of Receiving Broker ___________________________ Date __________

Signed ___________________________ Date __________

(Initiating Broker)

CUSTOMS USE ONLY

Accepted ___________________________ Date __________

Signature of Customs Officer

Denied ___________________________ Date __________

Signature of Customs Officer