

**C-TPAT (Customs & Trade Partnership Against Terrorism)***as of January 2012*

C-TPAT is a voluntary initiative between government and industry with the goal of strengthening and improving the overall international supply chain and bolster U.S. border security. C-TPAT participants must ensure the integrity of their security practices and communicate and verify the security guidelines of their business partners within the supply chain. In return, the companies benefit from “fast lane” border crossings and other important incentives. Companies of all sizes can benefit from C-TPAT membership.

Set forth below are the steps an importer needs to take in order to apply to join C-TPAT, and how to remain a member in good standing on an ongoing basis.

**C-TPAT Application Steps**

1. Complete the online C-TPAT application at the following link:  
<https://ctpat.cbp.dhs.gov/CompanyProfile.aspx>. This includes completing the Company Profile and Agreement to C-TPAT terms. For this initial phase of the online application, the company will need the following information:
  - a) Business Type – i.e., importer
  - b) IOR – Importer of Record number
  - c) Company name, telephone and fax numbers
  - d) Physical address and mailing address if different
  - e) Type of company ownership – e.g., corporation, partnership, sole proprietor, etc.
  - f) Years in business and number of employees (expressed in ranges)
  - g) Company Points of Contact (POC) for C-TPAT purposes – at least one POC must be a company officer, although the officer does not have to be the primary POC (primary POC just has to be a company employee). Outside consultants, such as your Customs lawyer, may be entered as alternate POCs. Note that every POC has the ability to enter the company’s Portal and make changes, so the number of people designated should be low to maintain security.
  - h) CBP Importer Bond number and any additional Importer of Record numbers besides the primary number given at the outset.
  - i) You are given an opportunity to review the information input in your Company Profile before submission, and you must agree to the C-TPAT terms
2. The primary POC will receive an email with a temporary password to log in to the C-TPAT Portal.

3. Upon receipt of the email from CBP, the company will have 60 days to complete a C-TPAT Security Profile on the Portal, which involves answering a series of questions regarding the company's security procedures.
4. In order to be able to properly respond to the questions in the Security Profile, your company will need to do the following:
  - a) Review of Business Partners (Vendors/Manufacturers) and Service Providers
    - i. Send a letter explaining the company's security standards and a security questionnaire/checklist to all vendors, manufacturers, and service providers, requesting that it be signed and returned, together with the completed questionnaire, within 20 days
    - ii. The company should confirm that all brokers, third party warehouses, and other freight partners are C-TPAT members, by obtaining copies of their certifications.
    - iii. Upon receipt of the signed letters and completed questionnaires, the company should review the responses with counsel, and make recommendations for any required changes. The affected business partners or service providers should be notified of any required changes and given a 10-day response time.
    - iv. Responses to required changes should be reviewed by the company with counsel.
  - b) Review of Internal Company Procedures and Policies
    - i. The company should evaluate its own security procedures with counsel, in light of the "C-TPAT Security Criteria for Importers" and make any necessary changes.
    - ii. The company should put its security procedures in writing either as a chapter in its Customs compliance manual or as a separate security manual.
5. Once the reviews are complete, the company should draft responses to the C-TPAT Portal questions and review same with counsel.
6. When complete, the Portal can be updated and submitted to CBP for review and approval. CBP will respond by approving or rejecting each response, with suggestions for changes as needed. Once CBP is satisfied with all responses, the company will receive notification of acceptance.

#### Retaining C-TPAT Membership

CBP sends annual notifications to C-TPAT members, reminding them of the requirement to update their Security Profiles on the C-TPAT Portal, with the due date being 90 days from the date of the notification.

C-TPAT members are expected to review their Security Profile at least once a year and provide updates as appropriate. As part of the review, C-TPAT members should include their Risk Assessment procedures. Even if no changes have been made in a company's supply chain during the year, the

Annual Review is still required. Failure to complete an annual review may adversely affect a company's status in the C-TPAT program. C-TPAT members do not have to wait for the notification from CBP to learn the date by which their review must be completed, since CBP posts the due dates in members' Portal accounts.

NOTE: In September of 2011, CBP added four new sections and revised the description of a fifth section. The new and revised sections, which can easily be identified by the designation "Updated" at the end of their titles, are; (1) Business Partner Requirements; (2) Physical Access Controls, Building Security; (3) Personnel Security; (4) Procedural Security; and (5) Physical Security, Building Security. At the very least, C-TPAT members will have to address these new and revised sections when it is time to conduct their annual reviews. Certain CBP Supply Chain Specialists are requiring these sections to be completed even before the annual updates are due.

Periodically, CBP will contact individual C-TPAT members to advise them of the commencement of a process called "validation." During this process, CBP will evaluate the policies and procedures the importer has in place to safeguard its supply chain and will usually visit one of the factories supplying the importer. In some instances, CBP also will visit the container freight station where the importer's merchandise is consolidated or prepared for shipping as well. CBP utilizes these visits to verify that the procedures described in the importer's Security Profile are actually in place and effective. After the visit, CBP issues a validation report, highlighting any recommended or required actions, as well as any best practices found as a result of the review. The importer will have a specified amount of time in which to respond and take any required actions, in order to remain in the C-TPAT program.

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*Anyone with questions regarding these International Trade topics should contact [Donna L. Shira](#) or [Kenneth R. Paley](#), at Sharretts, Paley, Carter & Blauvelt, P.C., International Trade Counsel for the Toy Industry Association.*