

ISF Violation Policy

U.S. Customs and border protection has required all importers to file an Import Security Filing (ISF) since the start of the program in 2009. Starbucks thereby requires all vendors to supply an importer security form in order to file a timely transmission to customs. This rule applies to all shipments to Starbucks Corporation regardless of the Freight Terms. Our assigned Freight Forwarders files the ISF on behalf of Starbucks from the information provided on the vendor ISF form. It is essential to provide the form with the Freight Forwarder completely, correctly and on time. We have instructed all our freight forwarders not to accept vendor shipments without the proper ISF submission.

Importers are legally responsible to ensure that these data elements are filed with CBP by the required timeline or can expect penalties of up to \$10,000 per shipment (\$5,000 per violation).

If Starbucks Corporation is charged with a violation due to the lack of submission or incorrect data on the form a chargeback will be issued for the amount of the violation.

As a reminder, the following occurrences will be considered violations by CBP, and therefore subject to penalty:

LATE ISF SUBMISSION: An ISF Transmission will be considered late if not filed at least 48 hours before loading on a vessel that is destined for the U.S. The penalty amount for a Late ISF Submission is \$5,000 PER VIOLATION.

INACCURATE ISF SUBMISSION: An ISF Transmission will be considered inaccurate if the information provided to CBP is false and/or incomplete. The penalty amount for an Inaccurate ISF Submission is \$5,000 PER VIOLATION. This includes providing the correct Automated Manifest System (AMS) Bill of Lading Number at time of ISF Submission, which is a common pitfall for ISF filings. We require that you confirm with the Freight Forwarder that you have the correct AMS Bill of Lading Number when filing the ISF.

LATE AMENDMENT TO AN EXISTING ISF SUBMISSION: An amendment to an existing ISF will be considered late if not filed at least 24 hours before the vessel arrives within the limits of a U.S. Port. Accordingly, it is imperative that importers immediately forward any requested changes to an existing ISF submission for timely updating to CBP. Late amendments also include incorrect updates to a "Flexible" ISF Submission. The penalty amount for a Late Amendment to an existing ISF Submission is \$5,000 PER VIOLATION. Additional information on ISF (ISF Frequently Asked Questions and the Customs Bulletin for ISF Penalties and Mitigation Guidelines) is available at:

- U.S. Customs and Border Protection Website – www.cbp.gov

Please review the above information and advise if you have any questions or comments directly to Eloise Hoover, director of customs, EHoover@starbucks.com