

## **C-TPAT: What's Coming in 2020**

*In 2020, U.S. Customs and Border Protection will be revising their Customs-Trade Partnership Against Terrorism (C-TPAT) initiative to increase its effectiveness and include new potential threats. This quick guide will give you an overview of the C-TPAT initiative and the upcoming changes that may affect your business.*

### **PART I: C-TPAT at a Glance**

### **PART II: C-TPAT: What's New in 2020**

#### **PART I: C-TPAT at a Glance**

##### **What is the C-TPAT?**

The Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary business initiative led by United States Customs & Border Protection (CBP). Through this initiative, CBP is asking businesses to ensure integrity of their security practices and communicate their security guidelines to their business partners within the supply chain.

This initiative recognizes that the highest level of security can be achieved through close cooperation of between CBP and the ultimate owners of the supply chain: importers, carriers, brokers, warehouse operators and manufacturers.

##### **What kind of businesses can become members of the C-TPAT?**

C-TPAT seeks to enroll companies who are directly responsible for importing, transporting and coordinating commercial import cargo into the US, including such business types as:

- Air Carriers
- Consolidators
- Customs Brokers
- Exporters
- Foreign Manufacturers
- Highway Carriers
- Importers
- Long Haul Carriers in Mexico
- Marine Port Authority and Terminal Operators
- Rail Carriers
- Sea Carriers
- Third Party Logistics Providers (3PL)

*Different Minimum Security Criteria and Guidelines apply to different business types, please see [U.S. Customs and Border Protection website](#) for more details.*

## What are the benefits of taking part in the C-TPAT?

In addition to the opportunity to better identify your own security vulnerabilities and take corrective actions to mitigate risks, as a C-TPAT Partner your business will be considered low-risk by the U.S. border control and granted such incentives as:

- Reduced number of examinations at the border
- Front of the line inspections
- Shorter wait times at the border
- Access to the Free and Secure Trade (FAST) Lanes at the land borders
- and more

These incentives translate into clear benefits for your business: from improved brand image and better supply chain security, to minimized supply chain disruptions and very real savings of time and money.

## What Are the Minimum Security Requirements of the C-TPAT?

Although different Minimum Security Requirements apply to different types of businesses (see [CBP website](#) for more info), audits to certify compliance with C-TPAT criteria traditionally cover the following areas of attention:

- Outside Barriers and Physical Security
- Factory Internal Security
- Factory Employee Security
- Shipping Dock Security
- Key and Seal Controls
- Security Processes
- Container and Merchandise Movement
- Computer Systems Security and Controls
- Management Commitment to a Culture of Security\*
- Cybersecurity and Protection from Social Engineering Threats\*
- Agricultural Security\*
- Prevention of Money Laundering and Terrorism Financing\*

*\* Coming in 2020*

## PART II: C-TPAT: What's New in 2020

### How is the C-TPAT Changing in 2020?

Looking back at their 17 years of experience, U.S. Customs and Border Protection (CBP) updated their CTPAT Minimum Security Requirement (MSC) to include new potential threats and improvement:

- Commitment of the management with relevant representatives appointed to promote and implement a culture of security

- Cybersecurity of factory IT system and social engineering threats regarding the trade data they store or exchanges throughout the supply chain
- Agricultural security preventing contamination from foreign animal, plant or any organic material
- Money laundering and terrorist organization financing

### **When Do the New C-TPAT Requirements Take Effect?**

C-TPAT members are expected to implement the new criteria throughout the remainder of 2019 (calendar year). Validations on the new Minimum Security Requirements will begin in early 2020.

### **How Will the Changes to the C-TPAT Affect My Business?**

In light of the new criteria, your suppliers / factories may need to invest in additional security technology, adapt their organization and procedures, and involve potentially broader scopes of personnel in security (e.g. additional participation of the Accounting, IT, HR departments).

Understanding and implementing the requirements may require time and additional finances. Affected businesses will need to choose and implement appropriate technological solutions, create new procedures, conduct training, etc. With this in mind, it is best to start the process as soon as possible, to make sure your supply chain is not caught off-guard when the new criteria become mandatory in 2020.

### **What Can I Do to Ensure My Supply Chain Remains C-TPAT Compliant in 2020?**

- Get a clear understanding of how the requirements are changing for your specific business type
- Communicate openly with all members of your supply chain about the effect of the C-TPAT changes
- Work with a qualified supply chain solution provider to identify the gaps in your compliance, followed by designing and implementing appropriate corrective action

*QIMA can help ensure a smooth transition as your supply chain adapts to the new C-TPAT criteria, with tailored supply chain audit programs and expert advice. We can conduct supply chain security audit protocols against all global and regional C-TPAT requirements. QIMA experts can work with your teams to proactively inform and support your suppliers on the new C-TPAT requirements: including a trial period during which we can support your factories in implementing the necessary actions to ensure continued compliance with C-TPAT.*