

THE CARMICHAEL C MPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

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CBP Verifying Importer Information on Form 5106, Penalties for Inaccurate Information to Follow

Federal Register Notice 2026-16911 announces that U.S. Customs and Border Protection (CBP) is implementing enhanced enforcement measures under **Executive Order 14411, "Strengthening Customs Enforcement,"** signed on June 3, 2026. The initiative focuses on validating the accuracy of Importer of Record (IOR) information maintained through **CBP Form 5106**.

Information Subject to Verification

CBP is emphasizing the accuracy and ownership of key data elements, including:

- Importer name
- EIN, SSN, or CBP-assigned number
- Physical address
- Mailing address
- Email address
- Phone number

All information must be accurate, complete, and directly associated with the importer.

Specific Compliance Expectations

CBP highlights several areas of concern:

- **Physical Address:** Must reflect the importer's actual business or individual location. Customs Brokers, freight forwarders, registered agents, business service centers, P.O. boxes, or other third-party addresses are not acceptable as the importer's physical address.
- **Email Address:** Must belong to the importer. Brokers and other third parties may not substitute their own email addresses.
- **Phone Number:** Must belong to the importer and not to a broker, forwarder, or other third party.

Enforcement Consequences

Potential consequences include:

- Immediate voiding of the IOR number.
- Inability to file entries or conduct import transactions using the voided number.
- Possible civil, administrative, or other legal action.
- Potential exposure under statutes such as **18 U.S.C. § 1001** (false statements) and the **False Claims Act** when inaccurate information affects duty liability or obligations owed to CBP.

Reinstatement Process

When CBP voids an IOR number, it will send notice to the email address on file and may copy the Customs Broker that most recently filed entries for the importer. The notice will explain the reason for the action and the process for requesting reinstatement, including documentation needed to verify the importer's identity.

Key Takeaways

If CBP determines that information submitted on a CBP Form 5106 is inaccurate, incomplete, or misleading, it may **immediately void the IOR number**, preventing the importer from entering merchandise into the United States. CBP may also

pursue additional enforcement actions.

The review applies to both **new and existing importers of record** and includes information submitted directly by importers or through Customs Brokers.

Contact your local Carmichael representative if you believe your company's information may not be up to date with CBP.

CBP Updates Error Codes, Disallows Drawback, Corrects Mistake

On August 12 CBP announced an update of the ACE drawback error codes to disallow drawback for Section 301 forced labor and Section 301 Brazil tariffs via [CSMS](#). However, on August 18, CBP sent a second [CSMS](#) advising that these tariffs **ARE** eligible for drawback and the update was processed in error. The drawback error codes have been corrected, and drawback is once more allowed for tariff numbers **9903.05.01** and **9903.05.20-9903.05.84**.

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CBP Reminds Trade of the ACH Rejected Refunds Report

CBP has advised the trade to use the ACH Rejected Refunds Report in the ACE Reports tool to help identify refunds that have been rejected due to missing Automated Clearing House (ACH) enrollment. If rejected refunds are found, importers should be sure to update their ACH information per [CBP's ACH Enrollment Overview](#) instructions and then notify frn-achrefundsupport@cbp.dhs.gov of the new ACH refund enrollment so CBP can rectify the rejected refunds. Those who are not enrolled to receive refunds via ACH will continue to experience delays and rejections of refunds.



50% Additional Duty on Product of Canada Delayed

The 50% Section 338 tariffs on product of Canada that President Trump announced on July 20 via three separate proclamations that were scheduled take effect August 19 have been postponed. A last minute [proclamation](#) issued by the President instituted a temporary delay in implementation to allow the U.S. and Canada additional time to negotiate and finish wrapping up a deal that has been reached between the two countries.

Now, the effective date of the duties imposed under proclamations [11046](#), [11047](#), and [11048](#) will begin at 12:01 AM ET on August 22. It remains to be seen if further changes based on the deal reached between the U.S. and Canada will affect the tariff rates implemented by these proclamations.

We still await guidance from CBP via CSMS message about the implementation of these tariffs. As soon as we have more information, we will be sure to inform you.

Tariff Updates and New Implementations Cause Range of Entry Issues

Over the last few weeks multiple new tariff and PGA implementations have created a range of entry issues that have been affecting the trade community. While not completely halting the flow of trade, these issues have slowed clearance and created extra hurdles for brokers and importers alike.

These issues started appearing as far back as July 1 with the 484(f) updates. Several HTS numbers with statistical changes were not linked to the proper Section 232 tariffs or the proper China Section 301 exemptions. There are ongoing issues between CBP and CPSC due to the implementation of CPSC's eFiling requirement that is slowing the May Proceed of CPSC applicable shipments and causing brokers and importers to question the accuracy of their CPSC data. New Section 232 tariffs and new Section 301 tariffs have resulted in several ACE programming issues that needed to be resolved by CBP. AD/CVD Queries have not functioned properly in ACE since July 9. We have also seen issues with Census Warning Overrides not receiving an acceptance message in ABI and issues with [02 Quota entries not processing](#). Most recently, miscommunication amongst the ports regarding the new electronic PSC payment requirements have also resulted in a hesitancy to accept checks for other entry corrections that must still be paid via check.

Rest assured that we are staying on top of all these issues and do not bring them up to worry you, only to enlighten you to some of the challenges we are facing in this ever-shifting trade environment. We remain dedicated to you, our clients, and to providing the best service that we can. If you have any questions regarding any of the issues we have seen in the last few weeks, feel free to reach out to your Carmichael contact for assistance.

Section 232 Tariffs on Drones Coming September 3

On August 13, President Trump issued a [proclamation](#) that implements Section 232 tariffs on drones effective September 3. These duties range from 100% additional duty on drones of a certain size or with certain capabilities that are particularly sensitive for national security purposes to as low as 10% additional duty for products of the United Kingdom. Certain UAS deemed less important to national security will not see duties until February 9, 2027.

A [fact sheet](#) was also released by the White House that contains additional information in a summarized format. No CSMS message has been issued by Customs at this time. Once it has been issued, we will send an update with the guidance from CBP.



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