

## Major Adjustment to US Bond Policy! The Loophole of Clearing Customs with Others'

Recently, the US customs clearance system is undergoing a quiet yet far-reaching transformation. Multiple insiders in logistics and customs clearance channels have reported that **Bond audits have suddenly become stringent**. Bonds that were "usable" in the past are being re-evaluated, and some are even directly deemed invalid. This is not a random inspection, but a systemic rectification involving law enforcement standards, importer qualifications and declaration procedures. The core of this rectification is to completely block the loophole of "clearing customs with others' Bonds".



Source: Internet

### 01 Bonds Are Under Scrutiny

What is a Bond? Simply put, it is a "security deposit" paid by importers to US Customs and Border Protection (CBP); without it, goods cannot enter the US. In the past, many cross-border sellers and logistics providers chose to use third-party Bonds, shared Bonds, or complete customs clearance as a "low-frequency declaration entity" to reduce costs or for operational convenience. This formed a gray area in an era of relatively loose supervision. But now, the situation has changed.

CBP's inspection focus has shifted from "whether a Bond is held" to "who the Bond belongs to". Specifically, **the actual owner of the goods has become the sole legal entity for customs clearance, and "borrowing another party's Bond" is clearly defined as a violation. What are the consequences? Once detected, the goods will be directly refused entry and forced to be returned, and all demurrage and return shipping costs shall be borne by the goods owner.**

If you still remember the troublesome "5H inspection" for US route sellers after the Spring Festival, you know this is not an empty threat. The 5H inspection itself is a manifestation of stringent checks, indicating that US customs inspections have extended from customs declaration documents to the entire trade chain — including domestic procurement contracts, shipping documents, importer qualifications, and even end sales records.

## **02 US Senator Proposes the SAFE Act, Supervision May Become Long-term**

What is more noteworthy is that such stringent inspections may not be a short-term measure, but evolve into a long-term trend. In March, US Republican Senator Bill Cassidy proposed the Securing Accountability in Foreign Entries Act (SAFE Act). He put forward this act against the backdrop that for decades, US customs law has allowed foreign entities with no substantive business in the US to

act as Importers of Record (IOR), creating huge law enforcement loopholes.



**BILL CASSIDY, M.D.** U.S. Senator for Louisiana  
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## CASSIDY INTRODUCES BILL TO PROTECT U.S. MARKETS FROM FRAUD

WASHINGTON — U.S. Senator Bill Cassidy, M.D. (R-LA) introduced the Securing Accountability in Foreign Entries (SAFE) Act, which would ensure the U.S. customs system provides fair and enforceable conditions for reliable trade partners to access the U.S. market.

"American markets should be safe from foreign fraudsters," said Dr. Cassidy. "We're making it easier to do business with the partners we trust, and harder for those we don't."

"President Trump has taken decisive action to confront unfair global trade practices, but Congress must do its part to close loopholes that allow foreign companies — often backed by adversaries like China — to skirt U.S. trade enforcement," said U.S. House of Representatives Budget Committee Chairman **Jodey Arrington (R-TX-19)**. "My Securing Accountability in Foreign Entries (SAFE) Act requires every Importer of Record to have a real and verifiable presence in the United States and subjects them to enforcement by U.S. Customs and Border Protection (CBP). I'm proud to support the President's America First trade agenda by leading this effort to safeguard taxpayer dollars and ensure a level playing field for American businesses and workers."

**BACKGROUND**  
For decades, U.S. customs law allowed foreign entities—without a meaningful U.S. presence—to act as importers of record (IOR). The SAFE Act ensures that only verifiable and accountable parties can serve as importers of record across all entry types, aligning bonding requirements with current trade system while recognizing the significant trading relations with trusted allies and partners. The bill enhances the integrity of the U.S. customs system and levels the playing field for compliant companies.

Source: Released by US Republican Senator Cassidy

The core provisions of this act are highly consistent with the ongoing stringent inspections:

**1. Importers of Record (IOR) must have a genuine US presence**

- **For individuals:** Must be US citizens or permanent residents.
- **For entities:** Must have a physical address in the US with actual on-site employees; the address cannot be a registered address of a freight forwarder or customs broker, nor a shared office or virtual address.
- **Foreign companies without a qualified US entity** must appoint their US subsidiary or an eligible US entity to act as the IOR.



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1	(1) by inserting "(i)" before "When an entry";	1	an alien lawfully admitted for permanent	1	porter of record by an express consignment operator
2	and	2	residence to the United States;	2	or carrier under section 4(d) of the Securing Ac-
3	(2) by striking the third sentence and inserting	3	"(II) that is organized under the laws of	3	countability in Foreign Entries Act.
4	the following:	4	Canada, Australia, or a covered country; or	4	"(v) A foreign entity that is not described in
5	"(ii) For the purposes of this Act, the importer	5	"(III) that is an affiliate of a United	5	clause (ii)(II)(bb), and has a United States sub-
6	of record is required to be—	6	States entity that—	6	siary that is described in that clause, is required
7	"(I) a party that—	7	"(aa) has been in continuous oper-	7	to have the United States subsidiary or another enti-
8	"(a) is eligible under clause (i) to file	8	ation for not less than 3 years;	8	ty described in that clause serve as the importer of
9	the documentation or information required	9	"(bb) maintains not fewer than 1,500	9	record.
10	by this section; and	10	full-time employees in the United States;	10	"(vi) In this subparagraph:
11	"(b) participates in the filing of	11	"(cc) has annual gross receipts or as-	11	"(I) The term 'affiliate', with respect to an
12	documentation or information; and	12	sets in the United States of not less than	12	entity, means the entity controls, is controlled
13	"(II)(aa) in the case of an individual, a	13	\$1,000,000; and	13	by, or is under common control with another
14	United States citizen or an alien lawfully admit-	14	"(dd) has filed a certification with	14	entity.
15	ted for permanent residence to the United	15	U.S. Customs and Border Protection des-	15	"(II) The term 'control', with respect to an
16	States; or	16	ignating the affiliate as its agent for serv-	16	entity, means ownership of more than 50 per-
17	"(b) in the case of an entity, is an entity	17	ice of process and agreeing to joint and	17	cent of the voting securities or equivalent inter-
18	described in clause (iii).	18	several liability for all duties, taxes, fes	18	ests in the entity.
19	"(iii) An entity described in this clause is an	19	and penalties owed by the affiliate \$,	19	"(III) The term 'covered country' means a
20	entity—	20	acting as importer of record.	20	country the government of which the United
21	"(I) with—	21	"(iv)(I) Except as provided in subclause (II), an	21	States Trade Representative, in consultation
22	"(aa) a physical location in the United	22	individual may not serve as the importer of record	22	with the Commissioner of U.S. Customs and
23	States; and	23	for more than one entity.	23	Border Protection, determines—
24	"(ab) at least 1 owner or full-time	24	"(II) The limitation under subclause (I) does	24	"(aa) imposes requirements on per-
25	employee who is a United States citizen or	25	not apply to a customs broker designated as an im-	25	sons serving as importers of record under

Source: The SAFE Act

## 2. Payment and liability requirements

Duties and taxes must be paid directly to CBP via electronic transfer from a verified US bank account; third-party or unverified accounts are not allowed. Affiliated companies are required to submit a joint liability certification, and the parent company shall bear fines together in case of any violations.

## 3. Bond requirements

Each IOR must hold a continuous import bond with a minimum value of \$100,000, and only their own Bond can be used. A customs broker cannot substitute with their own Bond unless they are the IOR themselves. New Bonds will take effect 60 days after application.

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1 “(6) U.S. Customs and Border Protection may not  
2 accept payment of duties, taxes, and fees assessed with  
3 respect to an entry of merchandise—

4 “(A) from any person other than the importer  
5 of record, a surety of the importer of record, or a  
6 customs broker (as defined in section 641(a));

7 “(B) in any form other than that required by  
8 paragraph (3)(A); or

9 “(C) from an account that does not meet the  
10 requirements under paragraph (3)(B).”.

11 (e) APPLICABILITY.—The amendments made by sub-  
12 section (a) apply with respect to articles entered on and  
13 after the date that is one year after the date of the enact-  
14 ment of this Act.

15 **SEC. 4. INCREASE IN BONDING REQUIREMENT FOR IM-  
16 PORTERS OF RECORD.**

17 (a) IN GENERAL.—Except as provided by subsections  
18 (c) and (d), the Commissioner of U.S. Customs and Bor-  
19 der Protection shall require each importer of record that  
20 elects to use a continuous import bond under section  
21 113.62 of title 19, Code of Federal Regulations—

22 (1) to maintain, in the name of the importer,  
23 a continuous import bond of not less than \$100,000;  
24 and

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1 (2) to use that bond for purposes of entry of  
2 merchandise by the importer.

3 (b) IMPLEMENTATION.—The dollar amount required  
4 under subsection (a)(1) for a bond shall apply with respect  
5 to—

6 (1) each new continuous import bond issued on  
7 or after the date that is 60 days after the date of  
8 the enactment of this Act;

9 (2) each continuous import bond renewed on or  
10 after the date that is 360 days after the date of the  
11 enactment of this Act; and

12 (3) any importer of record that holds, on or  
13 after the date that is 60 days after the date of the  
14 enactment of this Act, a continuous import bond in  
15 an amount the Commissioner determines is insuffi-  
16 cient to adequately protect the revenue and ensure  
17 compliance with applicable law and regulations.

18 (c) ROLE OF CUSTOMS BROKERS.—Under the regu-  
19 lations prescribed under subsection (a), a customs broker  
20 may prepare and file entry documentation, but may not  
21 use a bond held by the customs broker for purposes of  
22 entry of merchandise unless the customs broker is acting  
23 as the importer of record.

24 (d) TREATMENT OF EXPRESS CONSIGNMENT OPERA-  
25 TORS AND CARRIERS.—

Source: The SAFE Act

## 03 Impacts on Sellers: Soaring Costs and Narrowed Channels

If the SAFE Act is finally enacted, or even if the current audit trend continues, the impacts on sellers will be enormous:

**1. Chinese exporters can no longer easily act as the IOR.** In the past, many Chinese companies directly imported as non-residents, but this loophole is almost completely blocked now. They must find a qualified US IOR (US subsidiary or professional import agent), otherwise the goods cannot be cleared through customs.

**2. The "customs clearance on behalf of others" capability of freight forwarders is greatly weakened.** The address of a freight forwarder or their US agent cannot be used as the physical address of the IOR, which means freight forwarders' ability to directly act as the IOR or assist customers in acting as the IOR will be severely restricted.

**3. Compliance costs surge significantly.** Goods owners may need to establish a US subsidiary, hire US employees, open a US bank account, pay a \$100,000 Bond, or entrust a local US importer. Whichever way is chosen, freight processes, document requirements and related fees will all increase.

#### **04 Industry Opinions: No "One-size-fits-all" Policy, but the Trend Is Settled**

Although the above-mentioned act has been proposed, insiders generally believe that the policy cannot be fully implemented in a "one-size-fits-all" manner in the short term. Professional analysts point out that completely cutting off all gray operations will inevitably lead to price hikes in the US and also affect the normal operation of local enterprises. Therefore, the implementation of the policy may have a buffer period or adopt a phased approach.

Nevertheless, the trend is very clear: **US route logistics is moving step by step towards compliance, and the once-existing gray areas are being filled one by one.**

#### **Epilogue**

From the 5H inspection and Avalon ban, to the IOR overhaul and Bond policy tightening, and then to the proposal of the SAFE Act, this series of actions form a clear trajectory: **US Customs is systematically closing regulatory loopholes.** For sellers, this means that practices such as "clearing customs with borrowed



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Bonds" and "sharing an IOR" are evolving from gray areas to forbidden zones. Business models that rely on low-price cargo solicitation and gray customs clearance will face increasing pressure.

**Yida reminds all sellers: Compliance is not an option, but a survival necessity.** If you are still using a "borrowed Bond", it is recommended to make adjustments as soon as possible, and do not regret it until your goods are detained.