



GUIDE TO AUDIT REQUIREMENTS FOR THE SEAFOOD IMPORT MONITORING PROGRAM: FREQUENTLY ASKED QUESTIONS

The Seafood Import Monitoring Program (SIMP) established permitting, reporting and recordkeeping requirements for imports of certain seafood products in order to prevent illegal, unreported and unregulated (IUU)-caught and/or misrepresented seafood from entering U.S. commerce, thereby providing additional protections for our national economy, global food security and the sustainability of our shared ocean resources. Currently, SIMP requires the importer of record to report key data in entry filings for all import shipments of imported fish and fish products identified as particularly vulnerable to IUU fishing or seafood fraud. In addition, importers must retain records of the information provided at entry and additional chain of custody information sufficient to trace the fish from the point of entry into U.S. commerce back to the point of harvest. These records must be retained, in paper or electronic format, at the importer's place of business for a period of two years from the date of import and must be made available for inspection, including supporting an audit.

The National Marine Fisheries Service (NMFS) published a [final rule establishing the Seafood Import Monitoring Program \(SIMP\)](#) on December 9, 2016. January 1, 2018 was the mandatory compliance date for this rule. On April 24, 2018 NMFS published a [final rule to include shrimp and abalone species in SIMP](#) with a mandatory compliance of December 31, 2018.

This document was developed in response to questions from importers regarding SIMP audit processes and NOAA's intent is to support industry compliance. This document does not offer any new interpretation of the SIMP final rule or speak to potential enforcement actions which may result from noncompliance with SIMP requirements, including noncompliance identified through the audit process. As NMFS refines its auditing processes and additional questions from industry are raised, this guidance will be updated.

OVERVIEW

The purpose of a SIMP audit is to verify the harvest and landing information provided in an entry filing as well as the sufficiency of chain of custody records documenting the movement of fish and fish products from harvest to the point of entry into US commerce. Importers will be notified in writing by a NMFS auditor if an entry was selected for audit and asked to provide supporting records within 5-10 days, depending on the format of submission. As a general rule, within thirty days of providing chain of custody records to NMFS, auditees will be notified of audit results and, if necessary, any nonconformities for the entry audited as well as corrective actions to support compliance of future shipments.

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DEFINITION OF TERMS

ACE:	The Automated Commercial Environment, managed by U.S. Customs and Border Protection, is the primary system through which the trade community electronically reports import data required by Federal agencies.
Auditee:	An Importer of Record holding a current International Fisheries Trade Permit with one or more entries) selected for audit under SIMP.
Chain of Custody:	A series of records sufficient to trace the fish or fish products in an imported shipment from the point of harvest to entry into US commerce, and at all points in between, including individual or Aggregated Harvest Reports, documentation of all movements of the fish, and identification of each custodian of the fish.
Information:	Traceability data that describes documented or undocumented chain of custody events provided to NMFS auditors.
Record:	Documentation, in electronic or paper format, related to the harvest, landing, transshipment, transfer or processing of fish and fish products subject to SIMP.
SIMP Data Set:	The information, as specified at 50 CFR 300.324(b), that must be reported in ACE at the time of entry for each entry containing species or species groups subject to SIMP.

CHAIN OF CUSTODY RECORDS AND INFORMATION

For SIMP, a complete chain of custody tracks product from its initial wild-caught or aquaculture harvest to the point of entry into U.S. commerce. Records to show this chain of custody should identify the product and each custodian of the fish or fish product (e.g., a transhipper, processor, storage facility, or distributor) at every step as that product moves through the supply chain.

NMFS may request additional information from the importer to assist in verifying the information contained in chain of custody records provided. Additionally, NMFS may consult with other U.S. agencies and foreign governments to verify the authenticity of documentation provided, subject to the strict data confidentiality provisions applicable to SIMP.

NMFS intends to work with industry to support and improve compliance with SIMP, recognizing that the program's reporting and recordkeeping requirements became effective on January 1, 2018. For example, NMFS developed SIMP model certificates for catch, processing and transshipment that were widely disseminated in multiple languages to demonstrate to industry how required data might be organized to facilitate entry filing. While these documents are records, the traceability information they contain should be supported with other documentation (e.g., records from the harvester, country of origin, shipper, storage facility or processor) or information to establish a verifiable chain of custody.

HARVEST AND LANDING DATA PROVIDED THROUGH ACE

The harvest and landing data elements reported at the time of entry filing through ACE will serve as records that NOAA will verify if an entry is selected for audit. Should NMFS find that third party verification of the harvest and landing data provided is insufficient or incongruous with other records, auditors may request supplemental chain of custody records documenting the harvest and landing of product, which the importer of record would need to make available.

CHAIN OF CUSTODY RECORDS

Per section 300.324(e) of the SIMP final rule, "In addition to the entry recordkeeping requirements specified at 19 CFR part 163 and 300.323(b), the importer of record is required to maintain records containing information on the chain of custody of the fish or fish products sufficient to trace the fish or fish products from point of entry into U.S. commerce back to the point of harvest, including individual or Aggregated Harvest Reports, if any, and information that identifies each custodian of the fish or fish product (such as any transhipper, processor, storage facility or distributor). The latter may include widely used commercial records such as declarations by the harvesting/carrier vessels or bills of lading." SIMP does not require the retention of specific records, offering industry the flexibility to use any records sufficient to establish traceability through the supply chain from harvest to entry into U.S., such as declarations by the harvesting/carrier vessels or bills of lading.

Some examples of records that may be used to establish chain of custody are listed in the table below:

HARVEST AND LANDING RECORDS	SHIPMENT RECORDS	PROCESSING AND STORAGE RECORDS
Vessel Harvest Manifest Records	Processor's Bill of Lading	Daily Production Log
Raw Material Invoice	Processor Receiving Bill	Finished Product Packaging Label
Fish Tickets at Landing Port	Cold Storage Receiving Ticket	Cold Storage Discharge Log
Off Loading Reports with Vessel Name(s)	Vessel Transferred Ticket	Cold Storage Receiving Log
Country Catch Certificate	Mate's Receipt	Processor's Raw Material Receiving Log
Proforma Invoice	Transshipment Log	Packing Log
	Cold Storage Unloading Log	

AUDIT PROCESS OVERVIEW

1. NMFS auditors will send a request for records pertaining to the entry(ies) selected for audit by email to the designated International Fisheries Trade Permit (IFTP) holder, and may follow up with a call as necessary. The IFTP Holder is required to report any changes in the information provided in the IFTP permit application, including contact information, within 15 days of those changes going into effect; if the change is not reported within 30 days, the permit is void as of the 30th day. See 50 CFR 300.322(k). Importers can update this information through the NOAA Fisheries Permits website at www.fisheries.noaa.gov/node/23406.
2. NMFS auditors are currently conducting SIMP audits through remote record review. The time frame for auditees to provide requested chain of custody records to NMFS is as follows:
 - a. **Five business days** from receipt of the Audit notification if the auditee, IFTP Holder or importer of record (IOR) choose to transmit the records via electronic means over e-mail or using a secure file sharing service such as Accellion.
 - b. **Ten business days** from receipt of the Audit notification if the auditee, IFTP Holder or IOR choose to transmit the records via secured shipping such as UPS, FedEx or U.S. Post Office.
3. NMFS auditors will review submitted records and information for completeness. If the chain of custody documentation is incomplete, NMFS will send a follow-up request for supplemental records to the auditee, specifying key points in the supply chain where records are missing.
4. NMFS auditors will verify the adequacy and accuracy of traceability records and information provided.
5. NMFS will attempt to conclude audits within 30 days of receipt of records. Following the completion of an audit, importers of record will receive a letter describing the outcome of the audit.

FREQUENTLY ASKED QUESTIONS

SIMP AUDIT PROCESS

Q: Will auditing always be post shipment?

A: No, per 50 CFR 300.324(d) , “[i]mport shipments of fish or fish products subject to this program may be selected for inspection and/or the information or records supporting entry may be selected for audit, on a pre- or post-release basis, in order to verify the information submitted at entry.” However, at this time, NMFS is focused on conducting audits after the shipment has entered U.S. commerce.

Q: Why was my entry selected for audit?

A: SIMP entries may be subject to both random and targeted audits.

Q: Who will be contacted for an audit?

A: The holder of the International Fisheries Trade Permit (IFTP) will be contacted by a NMFS auditor using the contact information provided on the IFTP permit application. The IFTP holder is also the U.S. Importer of Record.

Q: Who is responsible for providing chain of custody records and information to NMFS auditors?

A: Based on the SIMP Final Rule, the auditee is responsible for providing the chain of custody records.

Q: What is the time frame for providing the chain of custody records to the auditors?

A: Chain of custody records must be retained in electronic or paper format, and made available for inspection at the importer’s place of business for a period of two years from the date of import. For the purposes of conducting audits, NMFS currently requests to receive electronic records provided within 5 days of notification, and hard copy records within 10 days of notification.

Q: Will the auditors be on-site? Or can the auditors conduct the audit remotely?

A: Records must be made available for immediate inspection at the importer’s place of business upon request. In addition, NMFS conducts SIMP audits as remote records reviews and the auditor does not need to be on-site at your facility. The requirements for providing digital records in five days and hard copy records in ten days applies to remote record review audits.

Q: How and when will I know the result of an audit?

A: In most cases, auditees will receive notification of the results of an audit within 30 days of submission of chain of custody records to NMFS.

HARMONIZED TARIFF CODES

Q: If I am importing a species that is not subject to SIMP but filed under a Harmonized Tariff Schedule code that includes species that are subject to SIMP, could my entry be subject to an audit?

A: If an entry of a product under an HTS code covered by SIMP includes a species code that is not subject to the full SIMP message set in ITDS, it is also not subject to the recordkeeping requirements of SIMP and would therefore not be selected for audit.

Q: If I am importing a species that is subject to SIMP but filed under a Harmonized Tariff Schedule code that is not subject to SIMP, could my entry be subject to an audit?

A: Importers are required to use the most specifically descriptive Harmonized Tariff Schedule code available for any given entry; importers cannot legally circumvent SIMP requirements by using a non-descript harmonized Tariff Schedule code. If an entry includes a species code that is subject to SIMP, but the HTS code is not subject to the reporting and recordkeeping requirements of SIMP (such as for highly processed products), the entry is not subject to SIMP and would therefore not be selected for audit.

CHAIN OF CUSTODY RECORDS

Q: Which records are required for the chain of custody records?

A: The chain of custody records includes documentation of all points in the supply chain of the seafood product, from point of harvest to entry into U.S. commerce (e.g., harvest, transshipment, landing, processing, storage, distribution, export/re-export, and changes in custody. NOAA does not prescribe what specific records are required because supply chains vary depending on a variety of factors including fishery, product type, country of origin and producer. NOAA requires records sufficient to trace each step from entry into U.S. commerce back to the harvest or production event. Chain of custody records could include vessel product declarations, transshipment records, bills of lading, records on processing, reprocessing, and co-mingling, changes in product ownership, and changes in product location including storage, export/re-export and re-packaging.

Q: Are electronic or scanned copies of chain of custody records acceptable, or are original hard copies required by NOAA for a SIMP audit?

A: Under SIMP, required records may be in electronic or paper format. A SIMP audit does not require original records as long as the paper or electronic (digital) copies of the chain of custody records are clear and legible.

Q. For electronic traceability systems - for example, software that tracks lot shipments from farm to plant and from plant to importer - would NOAA accept the electronic transaction information as sufficient (provided of course that the SIMP information is present), or is NOAA requiring records such as a pdf or invoice?

A. Yes, electronic transaction information would be sufficient provided that the information required under SIMP is present and verifiable.

Q: Some of my chain of custody hard copy records are required by a foreign government, so I do not have access to them. What can I provide that will meet the SIMP audit requirements?

A: As stated above, records required under SIMP may be in paper or electronic format and original records are not required for an audit. You should make and retain a copy of all required records prior to submitting the originals to a foreign government. NOAA may work with foreign governments and international organizations to verify traceability information provided to NMFS.

Q: What if the chain of custody records I can provide are not in English? Who is responsible for translating the records?

A: NOAA Fisheries will translate records into English if needed, however it is the responsibility of the auditee to explain how and to what extent the record describes a link in the chain of custody.

Q: How should I submit sensitive business information for an audit?

A: The data and records relating to the audit involving confidential and proprietary information will be transmitted, accessed, and stored by the auditing organization under the Privacy Act and the current USDOC policy on protection of Personally Identifiable Information (PII) and Business Identifiable Information (BII). The process of secured transmission of the requested records for SIMP's audit will be advised to the auditee at the time of the audit notification.

Q: What if I, as an auditee, am not privy to the sensitive business information from other companies in the supply chain?

A: SIMP is intended to ensure that importers of record are able to verify the legal origin of the products they are importing. This would require some degree of access to information describing each step in the chain of custody by the importer.

RECORDS ASSOCIATED WITH HARVEST AND LANDING

Q: What different chain of custody records will I need for small harvester vessels vs. large harvester vessels?

A: The data elements reported at the time of entry filing through ACE will serve as records that NOAA will use to verify harvest and landing if an entry is selected for audit, regardless of vessel size. In all cases, chain of custody records beyond harvest and landing to the point of entry into U.S. commerce are required.

Q: If the harvest vessel is registered under a Regional Fisheries Management Organization (RFMO) and we access information related to the vessel's authorization directly from the RFMO's website, will this information satisfy the SIMP requirement or do we have to keep the fishing license of each vessel we purchase fish from on file?

A: Information obtained from the RFMO's website will suffice, as long as the verification information includes name of the vessel, fishing gear or method, type of fish, validity, flag state, and vessel registration number but that information needs to be retained by the IFTP holder.

Q: Some catch log books and observer reports are directly sent by the vessel owner and observer to a Regional Fisheries Management Organization and it is not current practice for the vessel owner to provide the auditee/importer/buyer with this information. Is it mandatory that the auditee have these specific records on file for a SIMP audit, or is there any other records sufficient to prove the catch is not IUU?

A: SIMP does not required retention of any specific records, but does required retention of records sufficient to document the chain of custody. NOAA Fisheries would first attempt to verify harvest and lading information provided to NMFS through the entry filing message set. In verifying entry information, NMFS may engage external parties such as a Regional Fisheries Management Organization concerning the details and legality of the harvest events reported. In addition, records a vessel owner may have such as Captains' statements may include traceability information that could also be used to verify harvest events and as needed could be requested of the auditee.

Q. Is cold storage considered a "custodian" or "owner" of the product and will they then have to supply SIMP related transactional data?

A. Cold storage would be considered to be a custodian of the product so the auditee would need to retain and provide chain of custody records such as receiving, storage, and shipping records under the SIMP Rule.

Q: For fish which is stored in a cold storage facility then transferred to a carrier vessel or refrigerated container to the final destination, will a receipt from the cold storage or declaration of transfer letter or self-certified letter of fish transfer from the cold storage to the shipper be sufficient to satisfy SIMP audit requirements?

A: Yes, receipts from cold storage that list the amount that is received and transferred are acceptable. However, the Bill of Lading issued by the shipping company or the carrier vessel would also be required as one of the chain of custody records.

Q: For tuna, why can't the SIMP auditors look at and get all the information from the Tuna Tracking & Verification records that are uploaded into ITDS?

A: Traceability information provided to NMFS through other trade monitoring programs may serve as records. The NOAA 370 Form may provide the following information about the harvest event: harvest weight, catch area, fishing gear, flag vessel, vessel names, and landing dates; as well as some chain of custody information such as the name of the exporter and importer.

Q: Will auditors ask for documentation of small-scale harvest events?

A: Given provisions for small-scale fisheries under SIMP, NMFS will not ask for a record verifying the details and legality of individual small-scale harvests, but auditors will ask for records beginning at the point of aggregation, which may include records of deliveries or sale from the aggregator to a processor or shipper listing the products harvested.

POST-AUDIT

Q: What enforcement actions could be taken if there are issues with the completeness or accuracy of the chain of custody records I provided to NOAA Fisheries?

A: Noncompliance with the recordkeeping requirements of SIMP constitutes a violation of the Magnuson-Stevens Fishery Conservation and Management Act and is subject to enforcement action. The Magnuson Act authorizes monetary penalties and permit sanctions for violations of the Act and its implementing regulations; the action that might be taken in any particular case will depend on a number of factors including the nature and gravity of the violation and the violator's degree of culpability and history of prior violations. More information about NOAA enforcement actions, including the NOAA Penalty Policy, is available on the NOAA Office of General Counsel Enforcement Section website: <http://www.gc.noaa.gov/enforce-office.html>.

Q: If a SIMP audit results in a finding that my import shipment contained illegal seafood; will NOAA Fisheries provide me with the finding so that I can address the issue?

A: NOAA Fisheries will provide the auditee with the finding. The information will also be referred to the NOAA Fisheries Office of Law Enforcement for further action, as appropriate.

RESOURCES

This guide as well as a wealth of additional information regarding the Seafood Import Monitoring Program is available online at www.iuufishing.noaa.gov.

The SIMP requirements are codified at 50 CFR 300.320-300.325

CONTACT US

Technical support and general questions regarding compliance can be directed to SIMP Support:

Email: SIMPsupport@noaa.gov

Phone: TOLL: 301-427-8301 TOLL FREE (US and Canada): 833-440-6599

Other questions or feedback may be directed to Celeste Leroux, NOAA Fisheries Office of International Affairs and Seafood Inspection at Celeste.Leroux@noaa.gov.