

CHAPTER 1

General Provisions

- Tariff Act of 1930 - Purpose of Customs:
 1. Collect & assess duties
 2. Prevent fraud & smuggling
 3. Control carriers, persons & articles entering
- Customs Territory of the United States
50 States, District of Colombia and Puerto Rico
- Official Hours – 8:30 am to 5:00 pm
- Customs Headquarters (HDQ) is in Washington DC

Customs is under the Department of Homeland Security (DHS) and shares responsibility under the Treasury Department.

<u>Homeland Security (DHS)</u>	<u>US Treasury Department</u>
Cargo Control	Administrative
Non-Revenue Procedures	Revenue Procedures
Daily Operations	Duty Rates
Security	Quota's
Entry Requirements	
Duty Free Programs	

- Field Officers – Regional Responsibility and report to Headquarters
- Service Ports - Headed by Port Director -
 1. Locations Listed in 101.3
 2. Customhouse - Cargo Team – Process Entry
 3. Import Specialist
 4. Inspection & Control (I&C)
 5. Classification & Value (C&V)
 6. Lab-Testing and analysis of merchandise
- Ports – Port of Entry
 1. Customs Officers
 2. Accept Cargo but does not Process Entries
 3. Inspect Shipments
 4. Enforcement
- Stations - Customs Officers

CHAPTER 1

General Provisions

- Other agencies:
 1. Regulatory Auditors - Audits brokers & importers
 2. C.I.E. - Customs Information Exchange
 3. N.I.S. - National Import Specialist (JFK)
 4. Intl Trade Comm - Wrote HTS
 5. Dept. Of Commerce - Regulates exports
 6. Over 50 other Federal Agency's - DOT, EPA, Food & Drug

- Centers of Excellence and Expertise

Center of Excellence and Expertise are designed for improving business practices within CBP and focus on industry specific issues by providing tailored support to unique trading practices. They were established to provide uniformity of practice across all ports of entry and facilitate the timely resolution of trade compliance issues. There are currently 10 Centers, each specializing in a particular type of commodity or trade type. Customs Brokers can reach out to a Center for a wide range of guidance.

San Francisco – Apparel, Footwear and Textiles

Los Angeles – Electronics

Laredo – Machinery

Houston – Petroleum, Natural Gas & Minerals

Miami – Agriculture & Prepared Products

Atlanta – Consumer Products & Mass Merchandising

Chicago – Base Metal

Detroit – Automotive & Aerospace

New York – Pharmaceuticals, Health and Chemicals

Buffalo – Industrial & Manufacturing Material

CHAPTER 2

Entry

- ENTRY - Delivery of Documents to Customs to Secure “Release”
 - 1) Submission - Voluntary delivery for preliminary review – No legal status
 - 2) Filing - Official delivery of documents to Customs
 - Proper Form:
 - No clerical errors
 - Duty Check Attached
 - 3) Presentation - Quota Shipments Only
- ENTRY SUMMARY – Other documents to assess Duty and Legal Requirements
- BROKER - Agent for a principal
- FREIGHT FORWARDER - Arranges Transportation
- CARRIER –
 - Common - Anyone can ship on.
 - Private – Exclusive
- BILL OF LADING - Shipping Receipt / Instructions
 - Non-Negotiable
 - Negotiable –
- NOMINAL CONSIGNEE - Intermediate Consignee – Can’t be Importer of Record
- COMMERCIAL IMPORT - Anything having to do with “Business”
- CUSTOMS TERRITORY OF THE UNITED STATES
 - 50 States, District of Columbia and Puerto Rico
- COUNTRY OF ORIGIN -
 1. Duty and Quota based on Country of Origin.
 2. Where product made, mined, grown, manufactured or underwent Substantial Transformation.
- COUNTRY OF EXPORT - Where sold or shipped with shipped having precedence.

CHAPTER 2

Entry

- SUBSTANTIAL TRANSFORMATION - Must have:
 1. New Name
 2. New Character
 3. New Use
- DATE OF EXPORT = CURRENCY CONVERSION
 1. Determine Country of Export
 2. Determine last day in that country

TERMS FOR CONDITION OF SALE

- Ex-Factory (EXW) - Price does not include freight & insurance. Title transferred to buyer when shipment leaves factory.
- FOB – Free On Board - Seller pays freight to named FOB Point. Title transferred at FOB Point.
- CIF – Cost, Insurance and Freight. Price includes freight and insurance.
 1. Title changes at port or export.

ENTRY OF MERCHANDISE

- Entry – Entry of Merchandise is a Two (2) Stage Process

PART I - ENTRY

1. File ENTRY with minimal documents to secure “conditional release”
2. Filed 15 Calendar days from import date. *141.5 and 142.2
3. Establishes TIME OF ENTRY
4. Package includes Invoice with “notations”

PART II - ENTRY SUMMARY

1. Complete information & permanent record
2. Includes payment of duty (check or ACH)
3. Filed 10 WORKING days from Date of Entry - *142.12(b)

- ENTRY/ENTRY SUMMARY - Both presented to Customs at the same time.

CHAPTER 2

Entry

- BONDS – CUSTOMS SURETY BONDS
 1. Similar to insurance certificate which makes Customs the beneficiary.
 2. Posting a Bond - Puts lien on merchandise
 3. 1 bond can serve multiple bond requirements
 4. Broker sells to Importer of Record

- All entries are either Formal or Informal
 1. FORMAL - Commercial over \$2500 - Requires Bond

 2. INFORMAL - Commercial \$2500 or less or any non-commercial regardless of value.

- LIQUIDATION - Final disposition.
File Closed - Customs exhausts all legal interests.

- ENTRY TYPES
 1. Consumption (90%) - Enters U.S. commerce
 2. Warehouse
 3. FTZ
 4. In-Bond (Temp) One of these 15 calendar days
 5. Trade Fair
 6. Appraisement
 7. Mail

- RIGHT TO MAKE ENTRY - 141.11
 1. Proves you are the Importer of Record. Not always same as consignee.
 2. Importer of Record – One's name in which a shipment is cleared.
 3. Responsible for clearing Customs
 4. Duty payment
 5. Conform to all other legal requirements (EPA, DOT, FDA, Etc.)

- Proof of Right to Make Entry
 1. Private Carrier = Possession
 2. Common Carrier
 - a. Original Bill of Lading
 - b. Extract (copy) Certified by Carrier
 - c. Carriers Certificate (7529)
 - d. Blanket carriers release

CHAPTER 2

Entry

- RIGHT TO MAKE ENTRY is mutually exclusive:
 1. Owner
 2. Purchaser
 3. Customhouse Broker

- Actual Owners Declaration Form 3347
 1. Filed within 90 days of entry
 2. Usually includes superseding bond.

- Ultimate Consignee
 1. Who the merchandise was sold to
 2. If not sold, who consigned to
 3. If not sold or consigned, the proprietor of where the merchandise was delivered to – can be CHB

- Power of Attorney - May use CBP 5291 (optional)
 1. Before CHB can be agent needs POA from Importer of Record.
 2. Who can sign POA:
 - a. Sole proprietor - Owner
 - b. Partnership - 1 Partner (*Broker needs partnership agreement*)
 - c. Corp - 1 officer (President Vice-President Secretary Treasury)
 3. Duration - Valid until revoked, except: Partnership - 2 years.
 - a. Revocation requires letter to Port Director
 4. Broker must keep on file (not with Customs). Originals only. \$1K fine.

- Non-US Company as Importer of Record – Special Conditions:
 1. Must issue POA to U. S. Customs Broker
 2. Have bond under domestic surety.
 3. Have agent for Service of Process in state where entry made.
 - a. Agent can be US CHB

- Exception for Power of Attorney Requirement
 1. Personal Property shipment does not need POA
 - a. Letter of Authority if done for free and one time only (141.33)

- Minimum Quantity for Entry
 1. One (1) Box
 2. 1 Metric Ton (2240) for bulk.

- One (1) Entry Summary for multiple Entries is permitted
 1. All arrive within one week
 2. 10 Working days begins from first entry.

- Time of Entry – also referred to as Date of Entry in regulations
 1. Time of Entry is a “date” (not time) i.e. June 3

CHAPTER 2

Entry

- MEMORY LINK
 - Date of Entry = Duty Rate
 - Date of Export = Currency Conversion

- Time of Entry - When released by Customs – electronic release & arrived
 - 1. Always use this date unless facts tell you otherwise.
 - 2. Duty rate in effect at Time of Entry.
 - 3. Starts clock for 10 working days for Entry Summary.

- Time of Entry can be manipulated - if requested in advance.
 - 1. Release date.
 - 2. Time of filing
 - 3. Before Arrival if within Port Limit (not 3-mile limit)

- EXCEPTIONS TO TIME OF ENTRY
 - 1. Warehouse Entry
 - a. Time of Entry = Date of Withdrawal
 - b. Duty Rate = Time of Withdrawal

 - 2. Immediate Transport (IT) 7512
 - a. Time of Entry = Released at Destination Port
 - b. Duty Rate = When Customs Accepts (signs) IT at Origin Port

- If Customs rejects your Entry Summary for errors – you have two (2) working days to return the form to customs in Proper Form.

- Missing Documents – Have 120 days from Entry Summary to supply to CBP
*141.91

- Notice to Redeliver – Time Limits for CBP to Issue Notice
 - 1. 30 days after Entry – Unless examined on importers premise, then 30 days from date of examination.
 - 2. Textiles – 180 days from release date
 - 3. Food and Drug – 30 days from FDA Notice plus one 30-day extension

Misc

Limited Partnership must have copy of partnership agreement on file with POA + names of all partners

Nominal Consignee (middleman) cannot be importer of record